POSTAL RAIDERS AND RIDERS

BY

THE MAN ON THE LADDER

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"The primary step in connection with second-class mail is taken in the forests of the American continent."—*Senator J. P. Dolliver.*

Postal Riders and Raiders

Are we fools? If we are not fools, why then continue to act foolishly, thus inviting railroad, express company and postoffice officials to treat us as if we were fools?

By The Man On The Ladder
(W. H. GANTZ)

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FOREWORD TO THE READER.

The mud-sills of this book are hewn from the presupposition that the person who reads it has not only the essentially necessary equipment to do his own thinking, but also a more or less practiced habit of doing it. It is upon such foundation the superstructure of this volume was built. It is written in the hope of promoting, or provoking, thought on certain subjects, along certain lines—not to create or school thinkers. So, if the reader lacks the necessary cranial furnishing to do his own thinking, or, if having that, he has a cultivated habit of letting other people do his hard thinking and an ingrown desire to let them continue doing so, such reader may as well stop at this period. In fact, he would better do so. The man who has his thinking done by proxy is possibly as happy and comfortable on a siding as he would be anywhere—as he is capable of being. I have no desire to disturb his state or condition of static felicity. Besides, such a man might "run wild" or otherwise interfere with the traffic if switched onto the main line.

Emerson has somewheres said, "Beware when God turns a thinker loose in the world." Of course Emerson cautioned about constructive and fighting thinkers, not thinkers who think they know because somebody told them so, or who think they have thought till they know all about some unknowable thing—the ratio of the diameter to the circumference of the circle, how to construct two hills without a valley between, to build a bunghole bigger than the barrel, and the like.

There are thinkers and thinkers. Emerson had the

distinction between them clearly in mind no doubt when he wrote that quoted warning. So, also, has the thinking reader. It is for him this volume is planned; to him its arguments and statements of fact are intended to appeal. Its chapters have been hurriedly written—some of them written under conditions of physical distress. The attempts at humor may be attempts only; the irony may be misplaced or misapplied; the spade-is-a-spade style may be blunt, harsh or even coarse to the point of offensiveness. Still, if its reading provokes or otherwise induces thought, the purpose of its writing, at least in some degree, will have been attained. It is not asked that the reader agree with the conclusions of the text. If he read the facts stated and thinks—*thinks for himself*—he will reach right conclusions. The facts are of easy comprehension. It requires no superior academic knowledge nor experience of years to understand them and their significance—their lesson.

Just read and think. Do not let any "official" noise nor breakfast-food rhetoric so syncopate and segregate your thought as to derail it from the main line of facts. Lofty, persuasive eloquence is often but the attractive drapery of planned falsehood, and the beautifully rounded period is often but a "steer" for an ulterior motive—a "tout" for a marked-card game. Do not be a "come-on" for any verbal psychic work or worker. Just stubbornly persist in doing your own thinking, ever remembering that in this vale of tears, "Plain hoss sense 'll pull you through when ther's nothin' else 'll do."

As a thinker, you will now have lots of company, and they are still coming in droves. Respectable company, too. Mr. Roosevelt suddenly *arrived* a few days since at Columbus, Ohio. Then there is Mr. Carnegie and Judge

Gary. The senior Mr. Rockefeller, also, has announced, through a representative, that he is on the way. These latter, of course, have been thinkers for many years—thinkers on personal service lines chiefly, it has been numerously asserted. Now, however, if press accounts are true, they have begun to think, a little at least, about the general welfare, about the common good—about the other fellow.

Whether this change in mental effort and direction, if change it be, has followed upon a more careful study of conditions which have so long, so wastefully, or ruthlessly and viciously governed, or results from the fact that the advancing years have brought these gentlemen so near Jericho that they see a gleam of the clearer light and occasionally hear the "rustle of a wing," I do not know. Nor need one know nor care. That they come to join the rapidly-growing company of thinkers is sufficient.

CHICAGO, March 1, 1912.

Postal Riders and Raiders

CHAPTER I.

MAL-ADMINISTRATION RUN RIOT.

This is nice winter weather. However, as The Man on the Ladder was born some distance prior to the week before last, there's a tang and chill in the breezes up here about the ladder top which makes the temperature decidedly less congenial than is the atmosphere in the editorial rooms of my publisher.

But, say, the view from this elevation is mighty interesting. The mobilization of the United States soldiery far to the Southwest; the breaking up of corrals and herds to the West; the starting of activities about mining camps in the West and Northwest; the lumber jacks and teams in the spruce forests of the north are indeed inspiring things to look upon; and over the eastern horizon, there in the lumber sections of New England and to the Southeast, in the soft maple, the cottonwood and basswood districts, the people appear to be industriously and happily active; away to the South——

Say! What's that excitement over there at Washington, D. C.?

"Hello, Central! Hello! Yes, this is The Man on the Ladder."

"Get me Washington, D. C., on the L.-D. in a hurry—and get Congressman Blank on that end of the wire. The House is in session, and certainly he ought to be found in not more than five minutes."

It is something unusually gratifying to see that activity about that sleepy group of capitol buildings—the "House of Dollars," the house of the *hoi poloi*, and the White House—a scene that will linger in the freshness and fragrance of my remembrance until the faculty of memory fades away. There are messengers and pages flitting about from house to house as if the prairies were afire behind them. Excited Congressmen are in heated discourse on the esplanade, on the capitol steps and in the corridors and cloak rooms. And there are numerous groups of Senators, each a kingly specimen of what might be a *real man* if there was not so much pickled dignity

oozing from his stilted countenance and pose. There now go four of them to the White House, probably to see the President, our smiling William. I wonder what they are after. I wonder——

"Yes, yes! Hello! Is that you, Congressman Jim?" "Yes? What can I do for you?"

"Well, this is The Man on the Ladder, Jim, and I want to know in the name of heaven—any other spot you can think of quickly will do as well—what's the occasion and cause for all that external excitement and activity I see around the capitol building? There must be a superthermic atmosphere inside both the Senate and House to drive so many of our statesmen to the open air and jolt them into a quickstep in their movements. Now go on and tell, and tell me straight."

* * * * * * * * * * *

Well, Well! If I did not know my Congressman friend so well, I would scarcely be persuaded to believe what he has just phoned me.

It appears that a *conspiracy*—yes, I mean just that—a conspiracy has been entered into between our Chief Executive, a coterie of Senators, possibly a Congressman or two and a numerous gang of corporate and vested interests, cappers and beneficiaries, to penalize various independent weekly and monthly periodicals. Penalize is what I said. But that word is by no means strong enough. The intent of the conspirators was—and *is—to put certain periodicals out of business and to establish a press censorship in the person of the Postmaster General as will enable him to put any periodical out of existence which does not print what it is told to publish.*

It would seem that when the Postoffice appropriation bill left the House, where all revenue measures must originate, it was a fairly clean bill, carrying some $258,000,000 of the people's money *for the legitimate service of the people.* Of course it carried many service excesses, just as it has carried in each of the past thirty or forty years, and several of those *looting* excesses so conspicuous in every one of the immediately past fifteen years.

But otherwise, it may be stated, the House approval carried this bill to the Senate in its usual normal cleanliness. It was referred to the Senate Committee on Postoffices and Postroads, the members of which, *after conference with the President,* annexed to it an alleged *revenue-producing* "rider."

This rider I will later on discuss for the information of my readers. Here I desire only to call the reader's attention to the fact that under the Constitution of the United States the United States Senate has no more right or authority to originate legislation for producing federal revenues than has the Hamilton Club of Chicago or the Golf Club at Possum Run, Kentucky. But the conspirators—I still use the milder term, though I feel like telling the truth, which could be expressed only by some term that would class their action as that of *assassinating education* in this country. These conspirators, I say, did not hesitate to exceed and violate their constitutional obligations and prerogatives. They added a revenue-producing "rider" to House resolution 31,539. The rider was to raise certain kinds of second-class matter from a one-cent per pound rate to a four-cent per pound rate. Not only that, but they managed to induce Postmaster General Hitchcock to push into the Senate several *ulterior motive* reports and letters to boost the outlawry to successful passage. But, more of this later.

My friend Congressman Jim has just informed me that the conspirators were beginning to fear their ability even to get their "rider" to the post for a start; that many members and representatives of the Periodical Press Association of New York City, as well as those of other branches of the printing industry, hearing of the attempt to put this confiscatory rider over in the closing hours—the crooked hours—of Congress, hurried to Washington and sought to inform Senators and members of the House of the *truth about second-class mail matter*. Congressman Jim also informed me that a delegation representing the publishing interests of Chicago had arrived a few hours before and were scarcely on the ground before "things began to happen." "People talk about Chicagoans making a noise," said Jim in his L.-D. message, "but when it comes to doing things you can count on them to go to it suddenly, squarely and effectively. That delegation is one of the causes of the excitement which you notice here. Good-by."

Friend Jim, being a Chicago boy, may be pardoned even when a little profuse or over-confident in speaking of what his townsmen can do, but Congressman Jim is a live-wire Congressman, and has been able to do several things himself while on his legislative job, even against stacked-up opposition.

While reporting on Congressman Jim's message from Washington,

I phoned the leading features to the office and have just received peremptory orders to write up not only this attempt but other attempts to raid the postal revenues of the country by means of crooked riders and otherwise. So there is nothing to do but go to it.

Incidentally, my editor, knowing my tendency to write with a club, cautions me to adopt the dignified style of composition while writing upon this subject. I assure my readers that I shall be as dignified as the heritage of my nature will allow and the subject warrants. If I occasionally fall from the expected dignified altitude I trust the reader will be indulgent, will charge the fault, in part at least, to my remote Alsatian ancestor. He fought with a club. I have therefore an inherited tendency to write (fight), with a club. So here goes.

In opening on this important subject, for vastly important it is from whatever angle one views it, I wish first to speak of the governmental postoffice department and then of Postmaster Generals.

First I will say that this government has not had, at least within the range of my mature recollection, any business management of its postoffice department above the level of that given to Reuben's country store of Reubenville, Arkansas.

The second fact I desire to put forward is that since the days of Benjamin Franklin there have been but few, a possible three or four, Postmaster Generals who had any qualifications whatsoever, business or other, to direct the management of so large a business as that comprehended in the federal postal service. Not only are the chiefs, the Postmaster Generals, largely or wholly lacking in business and executive ability to manage so large an industrial and public service, but their chosen assistants (Second, Third and on up to the Fourth or Fifth "Assistant Postmaster Generals"), have been and *are* likewise lacking in most or *all* of the essential qualifications fundamentally necessary to the management and direction of large industrial or service business enterprises. I venture to say that none of them have read, and few of them even heard of, the splendid book written by Mr. Frederick W. Taylor explaining, really giving the A, B, C of the "Science of Business Management," which for several years has been so beneficial in the business and industrial methods in this country as almost to have worked an economic revolution. I equally doubt if they have even read the series of articles in one of the monthly

periodicals, which Postmaster General Hitchcock and his coterie of conspirators tried to stab in the back with that Senate "rider" on the postoffice appropriation bill. Yet Mr. Taylor wrote these articles, and Mr. Taylor must *know* a great deal about economic, scientific business management. *He must know*, otherwise the Steel Corporation, the great packing concerns, several railroads, the Yale and Towne Manufacturing Company, the Link Belt Company and a number of other large concerns, as well as the trained editors of several engineering and industrial journals, would not have so generally, likewise profitably, adopted and approved his recommendations and directions.

Yet while most of these "Assistant Postmaster Generals" and *their* subassistants have been glaringly—yes, discouragingly—incompetent to manage and direct the work of their divisions, some of them have shown an elegance of aptitude, a finished adroitness in using their official positions to misappropriate, *likewise to appropriate to their own coffers*, the funds and revenues of the Postoffice Department. Reference needs only to be made to the grace and deftness displayed by August W. Machen, George W. Beavers and their copartners. The one was Superintendent of Free Delivery, the other Superintendent of Salaries and Allowances, and the way they, for several years, made the postoffice funds and revenues "come across" beat any get-rich-quick concern about forty rods in any mile heat that was reported in the sporting columns of the daily press.

General Leonard Wood, Congressman Loud and a few other reputable officials induced President Roosevelt to institute an investigation. The investigation was made under the direction of Joseph L. Bristow. Then things were uncovered; that is, some things were uncovered. In speaking of the nastiness disclosed William Allen White in 1904 wrote, in part, as follows:

"Most of the Congressmen knew there was something wrong in Beaver's department; and Beaver knew of their suspicions; so Congressmen generally got from him what they *went after*, and the crookedness thrived.

"When it was stopped by President Roosevelt, this crookedness was so far-reaching that when a citizen went to the postoffice to buy a stamp the cash register which gave him his change was full of graft, the ink used in canceling the stamp was full of graft, the pad which furnished the ink was full of graft, the clock which kept the clerk's

time was full of graft, the carrier's satchel tie-straps, his shoulder straps, and his badge were subject to illegal taxation, the money order blanks were full of graft, the letter boxes on the street were fraudulently painted, fraudulently fastened to the posts, fraudulently made, and equipped—many of them with fraudulent time-indicators. Often the salaries of the clerks were full of graft. And in the case of hundreds of thousands of swindling letters and advertisements that were dropped in the box—they were full of graft."

We will now get down to the present Postmaster General, Mr. Frank H. Hitchcock. I have read, and shall later print in this volume the Senate "rider" to the postoffice department appropriation bill, which, so far as The Man on the Ladder has been able to learn, Mr. Hitchcock either wrote or "steered" in its writing. I have also read his series of letters to Senator Penrose, Chairman of the Senate Committee on Postoffices and Postroads; also his 1910 report. At this point I shall make my comment on Postmaster General Hitchcock brief but, mayhap, somewhat pointed.

Most Postmaster Generals for the past thirty or more years have been incompetent. There have been a few notable and worthy exceptions, but their worthiness was almost completely lost in the department by reason of previously planted corruption and political interference. Most Postmaster Generals, as has been stated, have had little or no qualification for the management and administration of so large a service industry as that covered by the federal postoffice department.

Mr. Hitchcock, in his administration of the department, in his reports and recent letters to the Senate and the House, has shown himself scarcely up to the *average* of his incompetent predecessors.

Mr. Hitchcock's "rider" to the 1911 postoffice appropriation bill and his recent letters to Senator Penrose and others will convince any fairminded, informed reader that he is either an "influenced" man or is densely ignorant. I wish to make this point emphatic: The careless, loose, hurried—yes, even silly—wording of that "rider" and the false and foolish statements in his letters to Senator Penrose, relating to his demand for an increase of three cents a pound on certain periodicals now carried in the mails as second-class matter at one cent a pound, he to be given authority to pick out and designate the periodicals which should be subject to the increased rate—his false

and foolish statements in that "rider," and in his recent letters, I say, must show to any intelligent mind that Mr. Hitchcock is either an "influenced" man or a six-cylinder, chain-tired, hill-climber of an ignoramus in matters relating to periodical publication, and also in many essential matters relating to his department.

My previous statements regarding the government's post-office department, about Postmaster Generals in general and about Mr. Hitchcock in particular, may not be up to the broadcloth of dignity, but they do carry the dignity of fact and *truth*, as I shall proceed to demonstrate to my readers.

Let us consider first the government postoffice department and then Mr. Hitchcock's recent actions and utterances.

Most of the Postmaster Generals, including Mr. Hitchcock, appear to have been greatly exercised about "deficits," yet persist in pursuing methods of business management and direction that must, almost necessarily, make expenditures of the department exceed its receipts.

Also I may ask, in this connection, why so much agony, or "front," whichever it may be, about a "deficit" in the Postoffice Department? The postal service of the country is a public service, *a service of all the people. As such the revenues of the federal postoffice department should not be permitted to exceed the actual cost of the service rendered under honest, economical and competent management and direction.*

The departments of war and the navy produce no revenue save the comparatively speaking trifling sums received from the sale of junk, abandoned equipment, accoutrements, etc. These departments render personal or direct service to but a small fraction of the vast number of people served by the postoffice department. Almost the entire appropriation for war and the navy in the past forty-five years might be called a "deficit" so far as any service they have rendered to the great body of the Nation's citizenship is concerned. Yet in the face of all this, so loosely, carelessly and *crookedly* have the departments of war and of the navy been managed that there is scarcely a session of Congress which is not appealed to for huge sums of money to cover "deficits," to meet extravagant, wasteful and, not infrequently, fraudulent expenditures in excess of the vast sums set aside for them in their annual appropriation bills.

A few years since it was found that the navy department was employing more clerks than it employed service men.

As to these strictures on the Postoffice Department, I will here quote for the benefit of readers who may not have studied this postal service question, a few authorities on the subject under consideration.

A few years ago the methods and abuses of the federal Postoffice Department were investigated by a joint commission of Congress. One paragraph of the commission's report reads as follows and must be regarded as officially significant:

"It appears too obvious to require argument that the most efficient service can never be expected as long as the direction of the business is, as at present, intrusted to a Postmaster General and certain assistants selected without special reference to experience and qualifications and subject to frequent change. Under such a system a large railroad, commercial or industrial business would inevitably go into bankruptcy and the postoffice department has averted that fate only because the United States Treasury has been able to meet deficiencies."

Pretty plain, straight talk that, is it not?

The resolution to appoint a commission of three members and appropriate $50,000 for the commission's use was tacked onto the postoffice appropriation bill after the Senate "rider" was ditched. That resolution was under discussion in the House March 3rd (1911)—the usual swan-song day for those who failed to "arrive" at the November election. Mr. Weeks, chairman of the House Committee on Postoffices and Postroads, led the discussion. The discussion was participated in by several Congressmen, among whom was Congressman Moon of Tennessee. Judge Moon is recognized as one of the best informed men in Congress on postal matters, and particularly informed as to present methods of transporting and handling second-class mail. Mr. Moon, though a member of the conference committee which had just agreed to the bill, Senate resolution and all, as amended in conference, quite vigorously opposed the appropriation of $50,000 of the people's money for a "Commission" to investigate the cost of transporting and handling second-class mail matter. He based his opposition largely on the fact that two or three previous commissions had been appointed to investigate the same question or matter; that these previous commissions had gone into the subject thoroughly,

had collected every scrap of information that, under the present methods, or lack of method, in the postoffice department, it was or is possible to collect; that these commissions had spent hundreds of thousands of the people's money; that they had made complete and exhaustive reports covering all the information obtained or obtainable; that these reports are on file and easily accessible, and that *the postal committees of neither Senate nor House had given any attention or consideration to those reports.*

From the many trenchant things said by Mr. Moon I take the following:

"If the gentleman will excuse me a minute, I am trying to get to another reason which I want to present to the House as to why I deem it inappropriate and unwise to pass this legislation. Now, when the experts undertake to determine just exactly what ought to be paid for the carrying of the magazines, how the government ought to be remunerated for the carrying and handling of these magazines, or other second-class matter, they are bound to take as the basis of the investigation the manner in which the second-class matter is now handled and the manner in which it is paid for. In other words, the basis of weighing and the computation of paying are the basic facts upon which they must rely in order to determine the question. I undertake to say to this House deliberately, that in view of our method of weighing and of the computation of railway mail pay, that no expert on the face of this earth can today come within fifteen or twenty millions of dollars of what the compensation ought to be for the transportation of second-class mail.

"If every fact has been adduced that would lead to a proper conclusion as to what the pay ought to be, if we are to go again over the same field of investigation with no possibility of any more light, tell me what sense there is in expending the public money for that purpose? And, then the very minute you undertake to reach the correct result you are confronted with a proposition that you cannot justly charge the cost of transportation and handling to a class of matter flatly *that in itself produces a return to the government in another class of matter, probably in excess of the charges of transportation and handling of that matter itself*—the second class. How are you to draw the lines for the determination of these questions? You are in

the dark; it is a chaotic proposition, considering the method by which it must be determined today."

I take it, that however much they may differ from him in his political and economic views, readers recognize in William Randolph Hearst one of the most alert and best informed men in this country on the subject of publishing and distributing periodical literature. He certainly ranks among the largest, if he is not indeed the largest, publisher and distributer of newspapers and other periodical prints there is in this country,—yes, I may say, in the world.

On February 24, 1911, a letter over Mr. Hearst's signature appeared in the Washington Post. In this communication he touches upon the efficiency—rather the inefficiency—of the Postoffice Department in handling the postal service of this country. I would like to reproduce the letter entire, but cannot. I will, however, reprint some of its cogent statements which bear largely upon the point under consideration. Mr. Hearst says:

I know something about the cost of distribution of publications. I know something about the reasons for the excessive cost of distribution of the postoffice. And I say that the high cost of distribution in the postoffice is largely due to loose and careless and reckless methods, to antiquated systems and incompetent management.

It is estimated that 40 per cent of the charged weight of mail matter is composed of cumbersome mail bags and their heavy iron locks and fastenings.

How absurd to imagine that a man who wanted to break into a mail bag would be deterred by a ponderous lock.

The postoffice department might as well insist that a burglar-proof lock be affixed to every letter, under the inane impression that the only way to tear open a letter would be to pick a lock.

I know, too, personally and positively, of an instance where the great mass of western mail was sent over one railroad and when the bulk of it was transferred to another railroad, all the postal clerks previously employed were maintained on the first railroad for over two years after the mail had been transferred.

The Evening Journal, without any of the powers of the great United States government behind it, distributes its product for seven-tenths of a cent a pound, and included in this average is the 1-cent-a-pound rate paid to the government for copies mailed Obviously, then, the proportion of the product which is not carried by the postoffice is delivered for much less than seven-tenths of a cent per pound.

The New York American distributes by mail and express 303,584 pounds of daily and Sunday papers every week at a cost of $1,655.17, or little over one-half a cent per pound. This average includes 28,028 pounds sent by mail at 1

cent per pound, so, obviously, the average of matter not distributed by mail is less than one-half a cent per pound.

The New York American sends 67,268 pounds of these papers over the Pennsylvania Railroad at one-fourth of a cent per pound, or one-fourth the rate paid to the United States postoffice department.

That same rate—one-fourth of a cent per pound—is exactly the rate charged by the Canadian Government for carrying magazines by mail through its post-office department and for distributing them over a thinly populated territory even greater than the United States.

How absurd, then, to assert that the government cannot distribute the magazines profitably at this present rate when it handles the magazines along with all other mail distributed and without any particular extra expense because of them.

Even if, as I said, the government were handling the magazines at a loss, it would be doing a creditable thing. But it is not handling the magazines at a loss. It is carrying them at a profit, and if it taxes the magazines out of existence it will compel the postal department to be conducted at a greater loss than the loss at which it is now conducted.

What inconsistency, too, for the administration to advocate a government subsidy to restore a United States merchant marine and at the same time advocate a measure to put out of existence a much more important American institution.

If it is a Republican policy to promote business and encourage industry, and a proper Republican and American policy to take money out of the United States Treasury to subsidize a private business in order to create an industry, why is it not a proper Republican and American policy to continue to provide a cheap mail rate in order to maintain a great American industry and perpetuate a mighty educational influence already existent?

The evidence in support of my impeachment of the Postoffice Department on account of its almost total lack of business method, its absolute helplessness to tell, even with approximate accuracy, the loss of any division of its service, or the revenues resulting from any given source or class of mail carried, would not be complete without quoting Senator Penrose and former Senator Carter.

Senator Penrose of Pennsylvania is Chairman of the Senate Committee on Postoffices and Postroads, and former Senator Carter was conceded to be one of the well informed men on postal matters in Congress.

The excerpt from Senator Penrose is from an address he made on the floor of the Senate, within the year, when speaking to the subject of second-class mail rates, and that from Mr. Carter is from his address on the same subject made in March, 1910. Both follow:

It is idle to take up such questions as apportioning the cost for carrying

second-class mail matter or the proper compensation of railroads for transporting the mails until we shall have established business methods in postoffice affairs by a reorganization of the whole postal system.—*Senator Penrose.*

I deeply sympathize with the earnest desire of the department officials to get rid of the deficiency they are fated to encounter every year, but I submit that the first real movement toward that end must begin with the substitution of a modern, up-to-date business organization for the existing antiquated system.—*Senator Carter.*

Comment on the plain, blunt statements of these members of our highest legislative body, each admittedly well informed on the subject to which he speaks, is quite unnecessary.

In closing this division of my subject I desire to quote President Taft; quote from his message to Congress under date of March 3, 1911. It is an illuminating message and forcefully pertinent to the point we are considering. I would like to reprint the entire document, but fear I cannot do so. Of course, President Taft's strictures and adverse criticisms are general—since they apply to all governmental departments—but every official in Washington knows, and none better than the President himself, that they have both adhesive and cohesive qualities when applied to the postoffice department.

In this message the President asks for an appropriation of $75,000 to continue the work he has already begun, that of revising departmental methods of doing business and of instituting a practical, commonsense system of accounting under which, or from which, it will be possible for administrative and legislative officials to learn, approximately at least, just what departments have done—to any date—and just what it has cost to do it, two items of information as appears from the message of the Chief Executive which neither his nor any previous administration has ever been able to learn, and is not *now* able to learn with any considerable degree of dependable accuracy.

As yet I have not learned whether the President obtained the $75,000 asked for. I hope he did. If Congress will appropriate $750,000 for the purpose the President names in his message, and sees to it that the money is judiciously and intelligently disbursed, it is the opinion of The Man on the Ladder that *not less than $100,000,000 annually would be saved in government expenditures*, or one hundred millions more of service, material, equipment, etc., delivered for the money now expended.

Following is the essential part of the President's message. The italics are the writer's:

To the Senate and House of Representatives:

I ask that you include in the sundry civil bill an appropriation for $75,000 and a *reappropriation* of the unexpended balance of the existing appropriation to enable me to continue my investigation *by members of the departments* and by experts of the business methods now employed by the government, with a view to securing greater economy and efficiency in the dispatch of government business.

The chief difficulty in securing economy and reform *is the lack* of *accurate information as to what the money of the government is now spent for.* Take the combined statement of the receipts and disbursements of the government for the fiscal year ended June 30, 1910—a report required by law, and the *only one* purporting to give an analytical separation of the expenditures of the government. This shows that the expenditures for salaries for the year 1910 were $132,000,000 out of $950,000,000. As a matter of fact, the expenditures for personal services during that year *were more nearly $400,000,000,* as we have just learned by the inquiry now in progress under the authority given me by the last congress.

The only balance sheet provided to the administrator or to the legislator as a basis for judgment is one which leaves out of consideration *all assets other than cash, and all liabilities other than warrants outstanding, a part of the trust liabilities and the public debt.* In the liabilities no mention is made of about $70,000,000 special and trust funds so held. No mention is made of outstanding contracts and orders issued as incumbrances on appropriations; of invoices which have not been vouchered; of vouchers which have not been audited. It is, therefore, *impossible for the administrator to have in mind the maturing obligations to meet which cash must be provided; there is no means for determining the relation of current surplus or deficit.* No operation account is kept, and no statement of operations is rendered showing the expenses incurred—*the actual cost of doing business*—on the one side, and the revenues accrued on the other. There are no records showing the cost of land, structures, equipment, or the balance of stores on hand available for future use; there is no information coming regularly to the administrative head of the government or his advisers advising them as to *whether sinking-fund requirements have been met, or of the condition of trust funds or special funds.*

It has been urged that such information as is above indicated could not be obtained, for the reason that the accounts were on a cash basis; that they *provide for reports of receipts and disbursements only.* But even the accounts and reports of receipts and disbursements are on a basis which makes a true statement of facts *impossible.* For example: All of the trust receipts and disbursements of the government, other than those relating to currency trusts, are reported as "*ordinary receipts and disbursements.*" The daily, as well as the monthly and annual statements of disbursements, are mainly made up from advances to disbursing officers—*that is to say, when cash is transferred from one officer to another it is considered as spent,* and the disbursement accounts and reports of the government so show them. The only other accounts of expenditures on the books of

the Treasury are based on audited settlements most of which *are months in arrears of actual transactions;* as between the record of cash advanced to disbursing officers and the accounts showing audited vouchers, there is a current difference of from *$400,000,000 to $700,000,000, representing vouchers which have not been audited and settled.*

Without going into greater detail, the conditions under which legislators and administrators, *both past and present,* have been working may be summarized as follows: *There have been no adequate means provided whereby either the President or his advisers may act with intelligence on current business before them; there has been no means for getting prompt, accurate and correct information as to results obtained; estimates of departmental needs have not been the subject of thorough analysis and review before submission; budgets of receipts and disbursements have been prepared and presented for the consideration of Congress in an unscientific and unsystematic manner; appropriation bills have been without uniformity or common principle governing them; there have been practically no accounts showing what the government owns, and only a partial representation of what it owes; appropriations have been overencumbered without the facts being known; officers of government have had no regular or systematic method of having brought to their attention the costs of governmental administration, operation and maintenance, and therefore could not judge as to the economy or waste; there has been inadequate means whereby those who served with fidelity and efficiency might make a record of accomplishment and be distinguished from those who were inefficient and wasteful; functions and establishments have been duplicated, even multiplied, causing conflict and unnecessary expense; lack of full information has made intelligent direction impossible and cooperation between different branches of the service difficult.*

I am bringing to your attention this statement of the present lack of facility for obtaining prompt, complete, and accurate information in order that congress may be advised of the conditions which the President's inquiry into economy and efficiency has found and which the administration is seeking to remedy. Investigations of administrative departments by congress have been many, each with the same result. *All the conditions above set forth have been repeatedly pointed out.* Some benefits have accrued by centering public attention on defects in organization, method, and procedure, but generally speaking, however salutary the influence of legislative inquiries (and they should at all times be welcome), the installation and execution of methods and procedure, which *will place a premium on economy and efficiency and a discount on inefficiency and waste* must be carefully worked out and introduced by those responsible for the details of administration.

Does that broad accusation of the President approve or disapprove our previously expressed opinion of governmental department service in general and of the postoffice department in particular? Notice the statements I have taken the liberty to *italicize.* Permit me to repeat a few of them:

"The chief difficulty in securing economy and reform *is the lack of accurate information as to what the money of the government is spent for.*"

Does not that fully bear out what Judge Moon said in discussing the Senate resolution to appropriate $50,000 more for a second-class mail commission—devote fifty thousand more after the government had already spent several hundred thousands delving into the same subject and got little or nothing of value, by reason of the loose, careless and *wasteful* methods of the federal postal department?

. . . . *"There is no means for determining the relation of current surplus or deficit."*

An *inviting* business situation that, is it not? Especially "inviting" is it to officials and subordinates who want something they have not earned, who want to *find* something.

"No operation account is kept, and no statement of operations is rendered showing the expenses incurred—*the actual cost of doing business*—the actual cost of doing business on the one side and the revenues accrued on the other."

Now, my dear reader, don't you know that such a method or system, or lack of method or system, would put a western corn farm in "financial distress" the first season and out of business the second? A cattle ranch, handled on such loose, *ignorant* methods would be sold out in a year. What, in reduction, does this *unqualified* statement of our President mean?

It means that the heads of governmental departments *do not know;* that their subordinates *do not know*, and, therefore, our President, our Senators and our Congressmen *do not know.* Nor can they, under existing conditions and methods, *find out.* They cannot find out even the common—the basic—essentials of business methods and management which Job Fraser, down in "Egypt," must know in order to keep his hen range out of bankruptcy.

Do you remember a quotation, some pages back, from the joint commission which investigated the postoffice department? The investigation which *rummaged* into the second-class mail schedule particularly? If you do not remember, turn back and read it again. It fits like the skin of an Alberta peach to what the President has just said (March 3, 1911), in his message from which we have quoted.

While collecting millions of revenue beyond all possible expenditures, under competent, honest management, our federal postoffice department would have gone into bankruptcy save for the backing of the government's treasury—*for the backing of your money.*

"The only other accounts of expenditures on the books of the treasury are based on audited settlements, most of which are *months in arrears of actual transactions;* as between the record of cash advanced to disbursing officers and the accounts showing audited vouchers, there is a *current difference of from* $400,000,000 *to* $700,000,000, *representing vouchers which have not been audited and settled.*"

Of course, I do not know how that may strike the reader. It strikes the writer, however, as being about as near the limit as any individual or corporation could go without falling over the financial edge and nearer the limit *than any sensible, well and honestly directed government should go.*

Again—No, I will requote no more. Turn back and read the quotation from the President's message again. Read carefully, and then read it once more. Any citizen, whose mental tires are not punctured will be not only a wiser but a bigger and better citizen for having done so.

It was my intention to close this division of my subject with the excerpts from President Taft's message. My attention however was called to a move made by Postmaster General Hitchcock, and an interview had with him bearing on said move. It was taken note of and "spaced" by a majority of the newspapers having general circulation in the United States. What I shall here quote is taken from a Chicago paper of date April 1, and the "write-up," nearly a column, is based, it is probable, on a wire to the journal either from its Washington correspondent or a news agency. As the article appeared in so many newspapers I take it that the information conveyed is entirely dependable.

From the write-up it appears that Postmaster General Hitchcock has made "a round dozen" of changes among the postal officials in the railway mail service. Some of the changes were promotions—on the government's pay roll—changes of division superintendents from one division to another, shifting of division chief clerks and of division inspectors, etc., etc. Theodore Ingalls, formerly superintendent of "rural mails," is now superintendent of the "railway mail service," succeeding Alexander Grant, who, the friendly space writer says, "is one of the most widely known postoffice officials in the service." Whether favorably or unfavorably known, the write-up sayeth not. At any rate, Mr. Grant goes to the St. Paul division of

the railway mail service at $1,000 per year less than he formerly drew from the postoffice department funds. Per contra, Mr. Ingalls steps from "rurals" to railway mails at an increase of $1,000. The other "round dozen" changes are of similar character, though affecting positions subordinate or minor to the ones named. No dismissals, just shifting the official pegs around, possibly for the "good of the service," as Mr. Hitchcock says; possibly for other reasons. It is to be hoped that Postmaster General Hitchcock stated the entire truth and that these changes are for the good of the service. The railway mail service is certainly in dire need of betterment, as the reader will learn before I finish, if he but has the interest and the patience to follow me to the end.

Why Mr. Hitchcock did not make some *twelve hundred* changes in the railway mail service instead of a "round dozen,"—and many of them dismissals—I do not know. Perhaps Mr. Hitchcock does know. Let us hope he does and be thankful for small favors. Many people, however, who have watched the Postoffice Department's maneuverings during the past forty years have seen too many "Sunday Editions" put to mail to be fooled by any of this "shake-up" talk. This shifting of the official shoats from one pen to another, still leaving them with their noses and four feet in the trough, is a too common and well known practice in the police and other public safety departments of our larger cities to fool anybody who has had his eyes open since the first full moon in April, 1868.

Shake-ups which do not retire incompetent or "faulted" public officials and servants, just as a "faulted" casting is rejected at "milling," is not a "shake-up" that will stand good in any strata of human intelligence above that found in asylums for broken-down cerebral equipment. It is *betterments,* not "shake-ups," that are needed.

The reader will please understand that there is no personal animus in what I here—or elsewhere—write. I have not had the pleasure, and possibly the honor, of personal acquaintance with Mr. Ingalls, Mr. Grant and others of the "round dozen" involved in the Postmaster General's "shake-up." They are probably all fine gentlemen personally, whom it would be a privilege to meet and to know. But we are writing to a subject *infinitely larger than any man or set of men.*

The people of this country are "up against" a *postal service proposition*—a proposition so stupendous in import, so farreaching in its application, so crucial in its effects upon us and the children who follow us, and involving service so incompetent, so wasteful, so *corrupt* in its management and operation as to have appalled those of us who have watched and studied its practices, and to have become a joke, provoking a smile or laugh among postal officials of other nations who render a service that *serves*.

For upward of forty years—a few bright spots excepted—our Postoffice Department has shown itself not only incompetent in the matter of business management, but disregardful in serving the people who *pay for the service*. I am aware this is a bald statement, a "mere assertion," some postoffice official or sinecure postal "servant" may say, but it will have to be said more often, more carefully and studiedly and far more *eloquently*, in order to have it believed outside the family circle than it ever has heretofore been said to get the people of this country to stand for it.

In the "write-up" annexed to Postmaster General Hitchcock's few paragraphs of interview, the "space" artist gives us, in epitome, the biography of the men Mr. Hitchcock promotes and demotes in that "round dozen" of changes. Some of my readers may have scanned the "booster" newspaper stuff of which I am writing. If so, much of what I have here said may be bricks or straw, just as it may happen that they know or do not know the true "innards" of the service status of this Postoffice Department of ours. I will not do more here than to point to the epitome biographical sketches of the promotes and demotes in the friendly "write-up."

In substance it says that Mr. Ingalls "is a highly trained postal official" and "entirely familiar with the railway mail system, having begun his postal work in that service."

Now, we all sincerely hope that is true. I once ran a sawmill, but, candidly, I do not believe that any sensible business man would hire me today to run his saws in any mill turning out mixed cuts. It may be that Mr. Ingalls has accumulated just the proper, and the proper amount of, information in superintending "rurals" to enable—to qualify—him to manage and direct that case-hardened, *looting* division known as the Railway Mail Service. Let us hope that he knows how to do it.

In the past twenty-five or thirty years it has been conclusively shown that the postoffice department, *en tout*, knows about as much concerning the *railroad* end of the railway mail service as a mongrel spitz poodle knows of astronomy.

So I might comment on other names mentioned in the write-up of this "shake-up" of our Postmaster General. They have all *been* good men. Possibly they each and all are good men *yet*—for the jobs to which the Postmaster General has promoted or demoted them. The people may appreciate and even honor Jim Jones because he "worked his way up" from mail carrier on a rural route at Rabbit Hash, Mississippi, to Superintendent of the Cincinnati Division or the St. Paul Division of the railway mail service, and even more so, if he got stilted to the position of "Superintendent of the Railway Mail Service." Still, listen. While we, the people, at Rabbit Hash, Mississippi, may be entirely satisfied to see our boy, Jim Jones, move up the ladder to official honor and salary, how about you other 93,760,000 people? You want prompt, cheap service in the railway mail and our Jim Jones fails to give it to you,—*fails when you know the conditions and the facilities are at call and command to give it to you.*

What is the answer? Simply that you 93,760,000 other folks may not think so well of our Jim Jones' railway mail service ability—or business ability—as we of Rabbit Hash may think.

Now I have said enough about Postmaster General Hitchcock's "shake-up." What I have not said the intelligent reader will readily infer—*and there is a whole lot to be inferred.*

At the outset I intended to quote Mr. Hitchcock—quote Mr. Hitchcock himself—in evidence or proof of my previously made and repeated statement, that the Postoffice Department is incompetently, is *wastefully*, if not crookedly, managed and directed.

I am now going to quote Mr. Hitchcock. Of course, he here speaks of only the railway mail service. It is admittedly one of the worst divisions for *waste and steal.* But there are others scarcely a neck behind.

The subjoined dispatch states (March 31, 1911), that "while signing the orders necessary for the changes Mr. Hitchcock said:"

The investigation which we conducted so long and so carefully indicated

clearly that the action which I have taken was absolutely necessary. *The railway mail service has suffered greatly from poor management and lack of supervision.*

In certain of the divisions it was found that the chief clerks had not been inspecting their lines, as was their duty. *Some of the routes had received no inspection for several years.* . . . . .

The inquiry showed that the business methods of the service in several offices *were antiquated and that, as a consequence, there was much duplication of work.* Instructions from the department directing improvements, as for example the proper consolidation of mail matter and the conservation of equipment, received *only perfunctory attention.*

There had been a lack of co-operation also in carrying into effect certain reforms which I had indicated, and it was made evident by the inquiry that *no proper spirit of co-ordination with the department existed in the railway mail service.*

CHAPTER II.

THE UNCONSTITUTIONAL RIDER.

We will now give our consideration to Postmaster General Hitchcock and the "rider." I may say some plain, blunt things of him. If so, it is because I believe Mr. Hitchcock's official action and statements touching the recent legislative move were a deliberate, calculated attempt to ruin some of the greatest periodicals the world has ever known, yes, *the* greatest periodicals the world has ever known. Not only was it that, but the method and time of presentation in the session, as well as the questionable secretiveness of that official in preparing and advancing the measure, supply reasonably valid grounds for the charge frequently made that this attempt at "snap" legislation was but a step in a conspiracy to throttle the periodical press, to place a muzzle on the most effective means of education which our people have had during the past two decades.

Nationally we have far departed from the mudsill principles of the democratic polity which our founders in their best judgment had framed for us and bespattered the forest paths of the country with their blood to *maintain* for us—the forest paths not alone of the Atlantic states but also of those vast acquisitions in the West, known in history as the Northwest Territory and the Louisiana purchases, out of which the fathers carved so many imperial states. So far indeed have we departed from those principles, regained from tyranny and maintained for us by the founders and builders of this governmental polity, that their original *intent* has been lost sight of by many of our people.

As a result of the struggle for subsistence on the one hand and *corrupt political practice* on the other, we are traveling rapidly toward the old, old way. As the kilted Scots put it, quoting Bulwer Lytton, we are rapidly reaching that view of life which leads men, in the heat of a justified anger, to say "Happy is the man whose father went to the devil;" meaning thereby that our sons *can be happy* if we manage to steal and loot enough from the government, or from our fellow citizens through *governmental favor and protection*, to build for those

sons stone fronts on "Easy street" and leave a bank balance and "vested interests" sufficient to maintain them.

People happy in the enjoyment of unearned wealth seldom make good, safe or dependable judges or lawmakers for people who are unhappy.

There may be, of course, some rare exceptions to that statement. The history of twenty centuries, however—yes, of forty centuries—has shown very few of them. This may appear to some as a digression from my subject. Well, so count it, if you will. I have made it as a "foreword" for three statements I wish to make—statements cogently asserted in support of an assertion made some paragraphs back.

Mr. Hitchcock, in both action and advocacy, has not only been a conspicuous member, as newspapers and other reports show, but a leading factor, in the gang of "influenced" mercenaries and aspiring politicians who sought to "submerge" certain periodicals which for ten or more years *have been telling the people the truth—the truth about crooked corporation practices and about crooked public officials.*

I am here going to make those three statements. I believe them statements of *fact.* Think them over. *Study* them. If, after, you think I am wrong or overstate the facts, then—well, then, that is your affair, not mine. Remember, I write with a *club*—not a pencil.

The first of the three statements I wish here to make is: The social and political polity which patriotic and liberty-loving progenitors gave us, established for us, has been adroitly led from its prescribed way. Today our governmental and social organizations are *rich in policemen, soldiers, prisons, poorhouses, organized charities, charity balls, owners of unearned wealth and in politicians who helped those owners to acquire that unearned wealth and who furthermore continue to protect them in its possession.*

The second statement I wish my readers to consider is: The periodical monthlies and weeklies (and a few "yellow" newspapers), which Mr. Hitchcock and his coterie of conspirators would muzzle or, by laying an excessive mail rate upon them, suppress or ruin—and incidentally, make the Postmaster General *an unrestrained censor of the country's periodical literature——*

Those periodicals, I started to say, have given more *real* educational benefit to the adult population of this country during the

past ten years *than has been given by all the "little red school houses," colleges, universities, and churches combined.*

I do not, as you will notice, include the "political stump." I do not care to comment on its peculiar didactic value or fascination for fools. That means both you and me, reader. We each, occasionally, go to hear the political "stumper" tell us a lot of *"influenced" lies.*

The third statement I wish to make is: Postmaster General Hitchcock is, so far as the writer has been able to learn, a politician. Not only is he a politician, the reports read, but he is a wise, smooth and *"ambitious"* politician.

That is bad. "Why?" Well, because an "ambitious" politician is about as useful to us, to you and to me, as are bugs in our potato patch, or dry rot in our sheep herd. The "ambitious" politician is a disease, attacking either our kitchen garden or our mutton supply.

"What's the answer?"

Here is one answer: It is a long way between "three rooms rear and a palace." But even they who crawl about the earth, begging for leave to live, *see* things, *hear* things, *feel* things, and *read* things. They are beginning to *understand* much of what they *see, hear, feel* and *read.*

Is that, Mr. Hitchcock, a reason, one of the reasons, why you who have so energetically, likewise offensively, tried to shut us out from our main source of information, from our mental commissary?

Arise, please, and answer.

There are still other remarks which I must make about Mr. Hitchcock's peculiar *recent* action and talk. It may not be at all pleasant to him. Yet the statements I shall make, I am ready to support by a "cloud of witnesses."

As before stated, this attempt to muzzle the press of the country, for that appears to be the ultimate, likewise the *ulterior*, purpose of Mr. Hitchcock and his coterie of senatorial and other abettors in their recent attempt to outrage the *constitutional* rights of our people, the *constitutional* rights of the Lower House and the rules of both Senate and House, as Senator Robert L. Owen, in brief but pertinent remarks in the recent closing days of the late session (February 25, 1911), pointed out,—remarks rife with the cogency of truth.

In a previous paragraph I stated, in effect, that Postmaster

General Hitchcock is an "influenced" man or a densely ignorant one. That he *is* densely ignorant on matters pertaining to periodical publications has been amply evidenced by subsequent quotations from his own reports and letters. That he at least shares the prevailing ignorance as to the methods, and the *result* of methods, for handling the vast business of the federal Postoffice Department, I have already pointed out.

Possibly I am in error here, but when Senators and Congressmen who have studied for years the methods of handling business in the Postoffice Department were—and are—convinced that it is impossible for the most expert accountants to collect and collate *dependable* information, relating either to any of its divisions of service or to the department in general; when old and tried students of the loose, wasteful methods of this department, of its utter lack of business system, yes, of its *crooks* and *crookedness*—when, I say, such experienced students frankly and bluntly state their complete inability to gather any dependable data as to the business done by Mr. Hitchcock's department, I am in doubt as to the correctness, or lack of correctness, in my previous intimation that Mr. Hitchcock is ignorant of his departmental affairs and practices, as well as of matters pertaining to periodical publication and distribution.

Mr. Hitchcock has been at the head of his department something like three years, I believe. He has talked so much and written so much about postal "deficits," about the cause of those deficits and how to remedy them by holding up periodical publishers, that, maybe, he has learned more about his department, more about deficits and the cause of them—learned more about these things in *three years* than older and more experienced men have learned in ten years—yes, twenty.

Maybe he has. If so, then I was in error when I intimated that his ignorance extended to departmental matters as well as to periodical publishing. If, however, I was in error as to Mr. Hitchcock's knowledge of his departmental matters, I find myself in a multitudinous and *growing* company of intelligent and informed people to whom he will have to talk and write much more, and to talk and write far more eloquently, persuasively and *wisely* than he has thus far talked and written, to convince them that he has accumulated

more departmental wisdom in three years than numerous older students of the subject gathered in ten.

What training or opportunity Mr. Hitchcock had, previous to his installation in his present position, to qualify him for the office—training and opportunity which enabled him to grasp so comprehensively, as he would have it appear, the duties, functions, faults in accounting, *frailties* in the service personnel,—in short, all the essentials of knowledge and information pertaining to a competent administration of the department, general, divisional and in detail, I do not know.

Of course, Mr. Frank H. Hitchcock was chairman of the Republican National Committee in 1908, which committee, with the aid of "a very limited campaign fund," as one colossally profound "stumper" put it, steered the votes to Judge Taft and himself to his present exalted position. Now, this experience of Mr. Hitchcock may or may not have especially qualified him for ready, quick and comprehensive understanding of all that the Postoffice Department needs to *make it yield even a half of what the people of this country are today paying for.*

It may have done so. Thoughtful people, however, are numerously entertaining a private opinion, and thousands of them are publicly expressing it, to the effect that, so far, Mr. Hitchcock's voluminous talk about the affairs, methods, needs and "deficits" of his department displays a knowledge of the subjects he talks about far more comprehensive than comprehending. That is, he has talked assertively or persuasively, as his auditor or audience fit into his purpose, upon numerous departmental phases of administration, regarding which final analysis in the crucible of "plain hoss sense" shows he knows little.

And he knew *less* when he talked than he now knows. The periodical publishers of the country have been "handing him" some information, *after they got notice of what he was trying "to put over," since he went to President Taft not later than October or mid-November last.* I say that, because President Taft *covered Mr. Hitchcock's idea* (or scheme) *of removing the postal department deficit in his December message for 1910.*

Now, did Mr. Hitchcock influence President Taft, or did President Taft influence Mr. Hitchcock?

That is the question; whether it is better to be the "influenced" or the "influencer."

The above query may be awkward, or even an uncouth way to state the question, but in evidence that it is a question with thoughtful people—*informed people*. I desire here to quote some statements written by *Samuel G. Blythe. With no thought of discriminating praise I can positively say that Samuel G. Blythe *stands with the best of you boys who are doing so much for our enlightenment*—FOR OUR EDUCATION—IN MATTERS RELATING TO OUR NATIONAL GOVERNMENT.

Is not that right, boys?

I hear a unanimous "aye."

In this connection, however, I wish to remind you boys that many of you—most of you, probably—have done as much to help the people of the country in your *local* fields of interest and activity as you have done to enlighten us as to Washington's politics, policies and *tangential peculiarities*.

With this explanation for my taking our "Sam" instead of you other boys for quotation, maybe *mutilation*, just here in the context of this book, I may add that his article in the Saturday Evening Post of date, April 15, 1911, is before me. It so *fits* the point I am now considering—whether Postmaster General Hitchcock was "influenced" or "influencing" —that I am going to quote, and, possibly, take all sorts of liberties with Mr. Blythe's splendid presentation of Mr. Hitchcock's attitude, action and *animus*.

Mr. Blythe, in his article in the Saturday Evening Post, (published by the Curtis Publishing Company, Philadelphia, and, by the way, one of the most educative weekly periodicals the world has ever known), tells us something of Postmaster General Hitchcock's procedure since in office.

I am here going to appropriate some of the information furnished in Mr. Blythe's article. Whether I use quotation marks or not, I want the reader to know that Samuel G. Blythe has "wised me up a

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*Now, see here, Samuel, if you have any knock to make about the liberties I may take with your Saturday Evening Post informative article, knock me, not my publisher. I may quote and even disfigure a little, but I assure you the latter will be far this side of the ambulance

heap" regarding our Postmaster General's peculiar official gyrations since the latter arrived on his present job.

First, it would appear that Mr. Hitchcock arrived with the "deficit" in his brain. I mean, of course, the Postoffice Department deficit was *on* his mind, and being fresh from that state of splendid attainments and beans—Massachusetts—Mr. Hitchcock came to his job brimful of nerve, purpose and postal service deficits. He was determined to do things, especially to that *deficit*. Well, he has been doing things, but scarcely in a way that one would expect from a man coming from the people who grow up there. The writer cannot say whether or not Mr. Hitchcock "growed up there." If he did, some cog must have slipped or "jammed" in his raising. Most born Plymouth rock men whom I have met, and I have had the pleasure of meeting many, start out, *and live*, on life lines which clearly and *cleanly* recognize the fact that *the end is on its way*, and that they are going to meet it—meet it with a brave, honest face and a moral courage that will answer "Here" at the final round-up.

I presume, however, there are a few Easterners who grow haughty, supercilious and dictatorial in proportion to the square of the distance they are removed (by fortuitous circumstance, political preferment or other means), from the "down-row" in the fall husking, the spring plowing, the free lunch and other symptoms of human industry or need.

This is wholly an "aside." How it may apply to Mr. Hitchcock must be left to readers who have a more intimate personal acquaintance with him than have I.

At any rate, he came to his present official job, it appears from most dependable information, with a "deficit"—the postal service deficit, of course—in his mind, and he immediately began in his vigorous, though somewhat peculiar, way to work it off. Whether his dominating intent was to work that deficit off the department books or merely work it off his mind, has not thus far appeared, save, of course, to the coterie in the circle of Mr. Hitchcock's intimates and a somewhat numerous body of periodical and newspaper reporters on the job in Washington.

The latter, of course, know everything. And what they don't know they go to all extremes to find out. It was, therefore, a hopeless attempt of Mr. Hitchcock's (though he yet seems scarcely able to

understand how so much information got to the public), to keep his *scheme* to remove the Postoffice Department's deficit by shunting the *whole of it onto some twenty or thirty periodicals*—it was, I say, a hopeless task for him to keep that scheme safely within the periphery of the corral where herded the "influenced" and the "influencing."

But why go on? Mr. Blythe in his article tells some things I want to say and he says them so much better than I can tell them that I will give the reader the benefit of that difference and quote him on a number of points. As showing the studied attempt at snap legislation in the very closing hours of Congress, Mr. Blythe says:

The Sixty-first Congress expired by constitutional limitation at noon on March 4th, last. On Friday afternoon, March 3, the postoffice appropriation bill was up for consideration in the Senate. It was being read for committee amendments. At half past 4 page 21 of the bill was reached, and with it the amendment proposed by the Senate Committee on Postoffices and Postroads to increase the rate of second-class postage in certain specified cases and in certain contingencies. Second-class postage is the postage paid by newspapers, magazines and periodicals.

There had been several speeches. Senator Carter spoke for the amendment, and Senators Bristow, Cummins and Owen against it. Senator Jones, of Washington, had a few observations in favor of the amendment also. At 5 o'clock Senator Boies Penrose, Chairman of the Senate Committee on Postoffices and Postroads and in charge of the bill, rose in his place, withdrew the amendment increasing second-class postage, and submitted in its stead an amendment providing for a commission to investigate the question of fact concerning the cost to the Postoffice Department for transportation of second-class mail matter. This amendment was unanimously adopted and the Senate proceeded to the consideration of other sections of the bill.

Postmaster-General Hitchcock sat immediately behind Senator Penrose when this happened. He had been on the floor of the Senate most of that afternoon, and a great portion of the time for several days previous when the discussion of the postoffice bill seemed imminent. When Senator Penrose withdrew the amendment, the Postmaster General's strenuously urged plan to use the taxing power of the government to make himself a censor, with almost unlimited power to declare what magazine and what periodical should be taxed and what magazine and what periodical should not be taxed; to give himself the sole determining power to decide what is a newspaper and what is a periodical—his long conceived plan, perfected quietly, put into preliminary execution without warning to those concerned, to be jammed through if possible, failed and failed utterly.

Mr. Blythe also refers to the fight Postmaster General Hitchcock put up against *investigation*. Here I desire to quote him at some length:

The Postmaster General had *enlisted the President*. He had put it up to the

Republicans on the Senate Postoffice committee as an *Administration measure* to be supported by administration men. He got the President to use the same argument. He contrived an amendment, after much labor, so drawn as to give *him the greatest* powers of discretion in the application of the increase in second-class postage. He had the regulation of the magazine and periodical press of this country in his own hands, he thought; and he was preparing to regulate it according to his ideas—when he met with a sudden check. It was a good scheme, a farreaching scheme, but it didn't go through. The Postmaster General, being a small-bore politician, took a small-bore view of the situation. He underestimated the force of public opinion.

It is my purpose to tell here the full story of Mr. Hitchcock's attempt to put through this legislation. Before starting, however, there is this to be said: There never has been a minute, since this contention began, considerably more than a year ago, when the publishers of the country have not been willing to submit the disputed question of fact to a proper tribunal, to determine exactly what *it should cost* the government to transport second-class mail. There never has been a minute when the publishers of the country have not been willing to pay exactly what, under a businesslike administration of the department, it should cost to transport their publications. They do not desire any subsidy from the government, and never have. The publishers have held that the statement of Hitchcock that it costs 9 cents a pound to carry second-class matter is absurd; and they have further held that if the postoffice department were run on proper business principles, instead of being run as a political machine, there would be no deficit.

Notwithstanding, Mr. Hitchcock fought the idea of a commission to the last gasp. He spent day after day at the capitol, for three weeks before the session closed, in the corridors, in committee rooms, on the floor of the Senate, working for his plan to increase second-class postage, granting concessions here, putting out explanations there, assuring certain publishers they would not be taxed, writing letters to Senators and Representatives showing how their districts or states would not be affected, utilizing every resource of his department, of his political connections as former chairman of the Republican National Committee, to get support. He had the votes in the Senate, too, if he could have brought the matter to a vote. That was where he failed. A united opposition was organized, an opposition composed of men who think and act for themselves and who were prepared to fight until noon on March 4.

When Frank H. Hitchcock, after being chairman of the Republican National Committee in the campaign of 1908, was made Postmaster General as a reward for his political services, he inherited, in his department, a deficit, an antiquated, cumbersome and unbusinesslike organization, and several sets of figures. *Hitchcock is young and ambitious.* He has been in the government service, in various capacities, most of his life since leaving college. He was anxious to make a record. As Postmaster General *he was political paymaster* for the administration, to a great degree, as there are more postmasters than any one other kind of public officials, and postmasterships are perquisites of the faithful politicians in the

Senate and House of Representatives. This kept Hitchcock in politics, in a way, for he knew what the obligations of the administration were, having made most of them as national chairman, and he paid them off as circumstances permitted.

He thought, too, that if he could put the Postoffice Department on a self-sustaining basis—where it had not been for years, if ever—he would do a great stroke for himself; and he began work along those lines. There need be no discussion here of the methods by which he made apparent reductions in the expenses of the department. Whether by bookkeeping or otherwise, he did make some apparent reductions, mostly by not spending appropriated moneys, by reductions in force, by elimination of substitute carriers and by other similar means.

Mr. Hitchcock, it would seem, was a peculiarly active public servant. Mr. Blythe also speaks of how Mr. Hitchcock got a cue from a predecessor, Charles Emory Smith. Mr. Smith in the *industrious activities of his official duties*, signing of reports which subordinates wrote, vouchers for contracts and other payments, and drawing his salary—Mr. Smith had laboriously (?) figured it out that the second-class mail rate ought to be 7 cents a pound. Mr. Hitchcock goes Smith two cents better. This statement of Mr Smith's grew on Mr. Hitchcock. "It opened the way to two things," as Mr. Blythe ably points out as follows:—

First he could increase the revenue of the department if he could increase the second-class rate; and second, he could get a whip hand over the magazine press.

He reported his assumed facts to the President in time for Mr. Taft's message to Congress, sent in in December, 1909. In that message Mr. Taft made the statement that it costs the government 9 cents a pound to transport second-class mail matter, the total cost being more than sixty million dollars a year, and asked that there should be an increase in second-class rates. Mr. Taft instanced this as a subsidy for the magazine and periodical press. Mr. Hitchcock's report as Postmaster General contained substantially the same statements.

The House Committee on Postoffices and Postroads, where the postoffice appropriation bill originates, took cognizance of these statements by the President and by the Postmaster General, and ordered a hearing on the matter, which was held early in the session. The various publishers of the country, representing not only the Periodical Publishers' Association but many other organizations of publishers of various classes of periodicals, sent representatives to Washington, and there were full hearings before the committee, extending through several days. The publishers stated their side of the case and the committee took the matter under advisement. The House committee reported out the postoffice bill with no recommendation of any kind in it for an increase in second-class postage; and no separate bill providing for the increase was prepared, introduced or reported.

Then Mr. Blythe, under the subcaption of "Running Down the Nine-Cent Myth," says:

Some years previously the congress authorized what was known as the

Penrose-Overstreet Postal Commission, composed of members of the postoffice committees of the Senate and House, of which Senator Penrose was then the Senate chairman and the late Jesse Overstreet the House chairman. This commission met in various places, had long hearings and made a report and prepared a bill. Before making its report or preparing its bill the commission employed, at a cost of seventy-five thousand dollars, or thereabouts, chartered accountants and business experts to make a thorough examination into the business methods of the postoffice department, its expenditures and its resources. The results of the work of these examiners was incorporated in the report to Congress by the Penrose-Overstreet commission. It is notable that this commission *asked the late Postmaster General, Charles Emory Smith, of Philadelphia, who was responsible for the statement that it cost seven cents a pound to transport second-class mail matter, where he got his figures, and he did not remember, nor would he testify concerning them.*

At any rate, when the Penrose-Overstreet bill, providing for the reorganization of the Postoffice Department and the placing of that great institution on a business instead of a political basis, was introduced in the Senate and the House, it contained no recommendation for the increase in second-class postage, *because the commission had been unable to find any figures of cost of second-class transportation on which such an increase could justifiably be demanded,* even after expert examination of the books of the department by unprejudiced men.

Of course, I may be mistaken—*I* may be. But how, in the name of Jehosaphat, Pan and all the other ghostly deities of antiquity, does it happen that men like Samuel G. Blythe and hundreds of others, —men in position to learn and *know* the facts, likewise, who have both the ability and the courage to tell what they know—agree with me? Why, I ask, if I *am* mistaken in what I have said and am trying to say, do so many other men who have studied this question, all of them probably of greater ability, most of them certainly of far greater opportunity than have I, why, I inquire again, do they so unanimously concur in the *judgment I am trying to pass on Mr. Hitchcock and his department?*

I shall probably take the liberty, later, further to use the data given in Mr. Blythe's timely and informative contribution, quoting or otherwise, for which I confidently feel he will excuse me. Just here, however, it is fitting that the reader be given a reprint of that *night* "rider" to which I have made so frequent reference.

House bill No. 31,539 brought the postoffice appropriation bill to the Senate. In the Senate it was read twice and then on February 9, 1911, it was referred to the Senate Committee on Postoffices and Postroads from which it was reported back by Senator Penrose, Chairman

of the Committee, "with amendments." It is only one of those amendments we shall here care to consider. That one appeared on page 21 of Senate Bill (Calendar No. 1067), and the "rider" portion begins at line 7. Following is the "rider:"

(Page 21.)

"Provided, That out of the appropriation for inland mail transportation the Postmaster General is authorized hereafter to pay rental if necessary in Washington, District of Columbia, and compensation to tabulators and clerks employed in connection with the weighings for assistance in completing computations, in connection with the expenses of taking the weights of mails on railroad routes, as provided by law: And provided further, That during the fiscal year ending June thirtieth, nineteen hundred and twelve, the rate of postage on textual and general reading matter contained in periodical publications other than newspapers, as described in the Act of Congress approved March third, eighteen hundred and seventy-nine, entitled "An Act making appropriations for the service of the Postoffice Department for the fiscal year ending June thirtieth, eighteen hundred and eighty, and for other purposes," and in the publications described in an Act of Congress approved July sixteenth, eighteen hundred and ninety-four, entitled "An Act making appro-

(Page 22.)

priations for the service of the Postoffice Department for the fiscal year ending June thirtieth, eighteen hundred and ninety-five," shall be one cent per pound, or fraction thereof; and on *sheets* of any *publication* of either of said classes containing, *in whole or part*, any advertisement, whether display, descriptive, or textual, four cents per pound or fraction thereof; Provided, That the increased rate shall not apply to publications mailing less than four thousand pounds of each issue."

As previously stated, and pointed out by Senator Owen, all amendments of character with the above are clearly in violation of Section 7, Article 1 of the Constitution of the United States. Here is the wording of that section:

"All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills."

That is plain enough, is it not, as to the Senate's lack of right or power to *originate* revenue-producing measures either by bill or

amendment? A glance at lines 4 to 9 (page 22), as above quoted, will convince even a stranger in a strange town or a market garden delegate that this "rider" amendment, if it had passed, would *originate revenue.*

Mr. Hitchcock *talked,* so it is alleged, that it would produce $6,000,000 or more, thus removing that "deficit" he has had in his brain or on his mind. Some of the best qualified men in this country have shown, *and they have used Mr. Hitchcock's own figures in doing so,* that the increased mail rate as this "rider" provided would not produce over $2,000,000 additional revenue, probably not over $1,000,000, after paying for the added clerical and inspection service which such a *discriminating classification* would require.

The reader will note (line 18 of the "rider"), that "newspapers" are exempted from the increased tax. The reader should likewise note that under both this "rider" and the present law, newspapers are carried *free* to addresses inside the county of publication, save to addressees resident of towns and cities having carrier delivery. By this is meant that this tricky rider, as will be readily seen, leaves the present law—*the one-cent a pound rate*—in force and applying to all "newspapers."

Just here I want to ask the thoughtful reader a question or two, though they are somewhat tangential to the direct line of thought we are at this point following:

If such a breach of constitutional law, of the legislative rules governing Congress and of plain, common and understood justice as was covered in this, I believe, studiedly discriminating "rider" on the postoffice appropriation bill—if such a breach was permitted, I ask, how long would it be, do you think, before our newspapers would be made victims of similar restrictions and injustices?

In short, how long do you think it would take the gang of conspirators (the "influenced" and the "influencing" factors in the personnel of the conspiracy) who tried to "put over" that rider, to make any nincompoop of a politician who chances to be, or who may become, Postmaster General a *censor of all periodical literature,* newspapers as well as magazines, *published in this country?*

In this connection another thought comes which I desire to pass on to the reader. If such censorship is permitted, such discriminating, *abrogative* legislation is tolerated, how long will it be, think you,

before our "banking interests," our "steel interests," our "packing interests," our "hide and leather interests," our "rail transportation interests" go into the periodical business?

Each of these have the country covered—yes, flooded—with agents. No trouble whatsoever for them to get the postal department's required "bona fide" subscription list and thus be "entered" *at the one-cent second-class rate.*

"Will they carry advertising?" Later, yes.

When our children are paying the cost of our blunder they will be advertising each other and—at the one-cent a pound rate.

Think it over and—well, wake up. If necessary, get *cogently brisk* with that Senator or Congressman of yours. At least, let him know that you are on the job as well as he and that you *understand the job as well as he.*

Of course, the "steerers" and "cappers" for this press-muzzling and official censorship game will tell you that such entrance of the "interests" into our literary field is "quite impossible;" that "the postal laws prohibit it;" that "it would be a foolish waste of money on their part," and a score or more of other equally silly, equally false and equally "steered" arguments.

You can take it from me *flat* that the man—*any man*—who hands you that sort of talk is either *hired* to talk it or he is mentally unsound.

The "interests" are *already* in the periodical business. They own, or control, at this hour, hundreds of newspapers, magazines and other periodicals. This is a matter of common knowledge to every citizen who *reads when he is awake.* Not only that, but the interests, banking, industrial, transportation, etc., have gone into the book publishing business (the bound book), *and hundreds of thousands of copies of their capping "literature" have been distributed to the people,* either free or at a price far below cost of production.

Not only that, but the "interests" are annually (*now*), distributing millions, in the aggregate *hundreds* of millions, of circular letters and circular matter, under seal and open circular-matter sheets, pamphlets, etc., first and third class, at a cost of *eight cents a pound or more.*

So, I repeat, the man who attempts to controvert my previous statement as to the intent, *the ulterior motive,* of the conspirators

backing that rider to the 1911 postoffice appropriation bill is either hired—bought—or is a fool.

It is one of his easiest "stunts" for any writer to produce a "promotion" story or article. For instance: The "Packing Interest," monthly or weekly, can print three or four "nice" stories. One, say, about "Lucy and Her Window Garden," another about "High Light Pink, the Broncho Buster," etc., etc. Then can follow a "literary" write-up of how "Jones Rose From a Wheelbarrow Man to Foreman in a Steel Mill," or about how "Cruiser Miller Dropped His Blazing Ax and Became Partner in a Great Lumber Company," etc., etc. After this may come a "Home Department," and then a few local or "plant" news items.

In the first, your wife and mine will be told how to make her currants (not her currency) jell; how to make children "bread winners;" how to "crochet an art tidy," or how to "Subsist a Family of Five on Thirty-Nine Cents a Day."

In the "Local" or "Plant" news may appear some explanation of how Crawloffski, who had lost a leg in service, is "improving in the hospital"(County), and "is under the competent care of the company's physician," of the promotion of "Mr. James Field, formerly 'run-way driver,' to the position of 'hammer-man' in the slaughter pen, with an increase of $2.80 a week in salary."

Of course, it will be understood that I am not giving the entire scope and plan of an "Interest's" periodical. The point I am trying to establish is, that no "Interest" periodical will, for a time at any rate, advertise *its own interests*, save as *news matter*, and that each "Interest" can *and will* advertise the others—*the mutual interests*—and do it, too, at the *cent-a-pound rate* and without violating any postal law now existent.

I will now return to Mr. Hitchcock's activity and arguments for this "rider" to that postoffice appropriation bill. I call it "his," as, from the evidence, I am forced to the conclusion that it originated with him. Most certainly he nursed it and pushed it forward with the urgent solicitude which a fond father would display in advancing his first-born or favorite scion. The excerpts which I have taken from Mr. Blythe clearly evidence that fact.

Mr. Hitchcock is on record as stating that it costs "9.23 cents a pound to transport and handle second-class mail matter." I am

quoting from memory. Maybe he did not include "handling," and put 9.23 cents per pound as the cost of transportation only. At all events I remember that one writer, with keen perception and a robust sense of the humor of things, as well as the justice involved, pointed out the fact that any of the competing railroads between New York city and Chicago (easily proven to be twice the "average mail haul"), would carry Mr. Taft, our 300-pound "good fellow" President, the "run" at less than 9 cents a pound. Incidentally the writer pointed out these facts: President Taft would have a sleeping berth or compartment, a porter in attendance, smoking room accommodations, likewise barber, manicure, buffet, library and dining-room services and conveniences. The Chief Executive would of course put himself on board and "discharge" himself at the terminal station.

How about 300 pounds of second-class mail matter, say some monthly New York periodical? This is brought to the mail car, wrapped and directed to destination, Chicago for instance, to keep the comparison clear and fair. It is dumped on the floor in a corner of a mail car, with all the intermediate station deliveries atop of it or stacked about it, and at Chicago it is tumbled off to the publisher's agent or salesman. *That is all the service rendered* by either the railroads or the Postoffice Department in handling that 300 pounds of second-class mail matter.

Yet the Postmaster General says it costs the government 9.23 cents a pound to render such service!

Is not that rather jarring to one's exalted opinion of Mr. Hitchcock's all-round, comprehending knowledge of a just and fair mail haulage rate? If it does not jar the reader he should take his thinking apparatus to the cobbler and have it half-soled.

A glance at freight schedules will show any reader that live stock, cattle, hogs or sheep, are carried from Chicago to New York, Boston or other eastern destination at only a small fraction of his dead-mail rate. Again, while double-deck live stock cars are in extensive use on long hauls, the stock is not corded up on the decks as much of the second-class mail is piled up. Not only that, but the live stock must be *watered and fed in transit.*

The rail rates for the carriage of dead-freight makes Mr. Hitchcock's 9.23 cents a pound, which he figured as the cost to the government of carriage and handling second-class mail, read so

absurd as to be a joke, were the purpose and purport of his statement not so grave and serious as they are. Even the 4-cent rate that he and a coterie of his friends tried to put over in the Senate rider—$80.00 a ton for carrying dead weights the average mail haul, and dumping it off at destination—is a ridiculous charge.

Why, the express companies are carrying hundreds of tons daily of dead-freight over such average haul for less than a cent a pound; yes, they are carrying tons of second-class *mail matter* and carrying it *at one-half a cent a pound.* It has been cited by Mr. Hearst and other publishers that certain railroads carry second-class mail matter over fast freight runs for about one-quarter of a cent a pound. In this connection another thought presents itself: Did, or did not, Mr. Hitchcock, at the time he was pushing his "rider" in the Senate, have any adequate knowledge of the amount, of second-class mail matter which publishers were then sending by express and fast freight? If he had such knowledge, then he must have known of the fact that *thousands of tons* of periodicals are now carried by the railroads and express companies at a rate *lower* than the government's mail charge of one-cent a pound. If Mr. Hitchcock had such knowledge when he was handing his string-talk to President Taft, having his "heart-to-hearts" with certain senators, I wonder if he intimated to them what must necessarily happen to the second-class mail division and to that deficit which, apparently at least, has so continuously, likewise so effusively and diffusively, worried him?

If the fast freights and express are now taking thousands of tons of second-class matter from the government in competition with the one-cent a pound rate, how many thousands of tons more would they take from the government if the latter advanced its rate to four cents a pound? And what effect would the withdrawal of so vast a tonnage from the government's second-class service have upon the deficit our solicitous Postmaster General has kept himself so exercised about—that $6,000,000, or, to be exact, using Mr. Hitchcock's own figures, $5,881,481.95? That deficit, if converted into cash, would barely furnish parade money to our army for a month. If the Atlantic squadron undertook a junket with such financial backing its progress would probably end by rounding the Statue of Liberty at the entrance of New York harbor. If Mr. Hitchcock's attempt to put up a four-cent rate on periodicals had succeeded, thus forcing the prominent

publishers to find cheaper means of carriage and distribution, his $6,000,000 would have soared upward to a point making it worth very serious consideration.

DEFICITS AFFECTED BY SECOND-CLASS TONNAGE.

In this connection I desire to show that deficits in the federal postal service are largely governed by the tonnage of second-class matter carried, the greater such tonnage the smaller the deficit. To do this I shall take the liberty to quote from the "Inland Printer," probably the most widely read periodical among the printing crafts, as it certainly is one of the best informed and most carefully edited journals of any in matters relating to the publication and distribution of periodical literature. The article speaks of several points pertinent to our subject and is so instructively written that I know my readers will appreciate it in its entirety. If the publishers of the periodical will pardon my wholesale appropriation of their article, I am confident my readers will do the same. The article is of date March, 1911, and was written by Wilmer Atkinson, whose permission I should also ask for reprinting it in toto:

In 1860 the postal deficit was $10,652,543; in 1910 it was $5,848,566. The postage rate was four times greater in 1860 than now.

Coming down twelve years to 1872 the total weight of second-class matter was that year less than 65,000,000 pounds.

Now it is 817,428,141 pounds, more than twelve times greater.

Then the postage rate was four times what it is now.

Then the gross revenue was $21,915,426; now it is $224,128,657, more than ten times as much.

Then there was no rural free delivery; now that system costs $36,923,737.

Then there were no registered letters; now there are 42,053,574 a year.

Then there were issued $48,515,532 of domestic money orders; now there are issued $547,993,641.

Then postmasters were paid $5,121,665; now they are paid $27,514,362, and their clerks are paid $38,035,456.62.

Then city delivery cost but little ; now it costs $31,805,485.28.

In 1872 there were issued of stamps, stamped envelopes and wrappers less than $18,000,000 (there were no postal cards); now are issued, including postal cards, $202,064,887.96, more than ten times as much.

Observe that the weight of second-class matter is 752,428,141 pounds greater than in 1872, costing therefore (according to some official mathematicians), more than 9 cents a pound for transportation, or a total of $67,718,532.69. The deficit for 1910 is almost identical with that of 1872.

1885-1910

As late as 1885 the government income from the issue of stamps, stamped envelopes and wrappers and postal cards was $35,924,137.70.

In 1910 it was $202,064,887.96, more than five times as much.

The number of registered letters issued in 1885 was 11,043,256; in 1910 it was 40,151,797.

The amount of money orders issued rose from $117,858,921 in 1885 to $498,699,637 in 1910.

The total postal receipts rose from $42,560,844 in 1885 to $224,128,657 in 1910, an increase of $181,567,813.

The postage rate on second-class matter in 1885 was double what it is now.

During the intervening period the weight of second-class matter had increased about 600,000,000 pounds.

Now we will get down a little closer in this business and see what has happened within the last five years.

1906-1911

In 1906 there was a gain in weight of second-class matter of 41,674,086 pounds; in that year the deficit was $10,516,999.

In 1907 there was a gain in weight of 52,616,336 pounds—11,000,000 pounds more than in 1906; the deficit was reduced to $6,653,283.

In 1908 there was a *loss* instead of gain in weight of second-class matter of 18,079,292 pounds; the deficit went up to $16,873,223, an increase over the year before of more than $10,000,000.

In 1909 there was only a slight gain in weight of 28,367,298 pounds; the deficit went up to $17,441,719.

In 1910 there was a gain in weight of 94,865,884 pounds, the largest ever known; and the deficit dropped to $5,848,566.88.

From 1906 to 1910 there were 198,863,387 pounds increase in the weight of second-class matter; the deficit was $4,668,432.12 less in 1910 than in 1906.

The impression is prevalent that the amount paid for railway transportation was cut down the past year, but the truth is that the railroads were paid $44,654,514.97, the railway mail service and the postoffice car service cost $24,065,218.88, a total of $68,719,733.85, which is more by a half million than was paid in 1909, and over $7,000,000 more than was paid in 1906.

It is claimed that there is no definite relation between deficits and second-class matter; very well, the foregoing are the official figures; let them speak for themselves.

In the whole history of the Postoffice Department, neither an increase of second-class matter nor a reduction of the postage rate has ever increased deficits, no matter what burdens have been piled upon the service in the way of an extension of city delivery, the establishment of rural free delivery, the multiplication in number and increase of pay of officials, increase of government free matter, increase of railroad and other transportation charges, nor an increase in the obstructive energies of postal officials directed against the publishing business. (See In Memoriam, page 49.)

It has come to be generally understood and conceded that second-class matter originates mail of the other classes. The Postal Commission testifies that "No sane man will deny that second-class matter is the immediate cause of great quantities of first-class matter." Mr. Madden and Mr. Lawshe said the same thing. Meyer said that "It is known that second-class matter is instrumental in originating a large amount of other classes of mail matter." To what extent this is so can not be determined with exactitude, but the official figures given throw a flood of light on the subject.

There are four classes of (paid) mail matter—first, second, third and fourth. The first comprises letters and postals, the second newspapers and periodicals, the third circulars, and the fourth merchandise.

How, of themselves, could the first, third and fourth classes develop faster than the growth of population? Does not their extension depend upon the business energy and the intellectual activity of the people, and in turn do not these depend very largely upon the circulation of the public press?

Will it, therefore, be deemed unreasonable to conclude that of the $202,064,887.96 of stamps sold for the first, third and fourth classes of mail matter last year, $150,000,000 of it originated immediately, remotely and cumulatively from the second class? How else than in some such way can we account for the prodigious development of the postal business, which has outrun population sixfold or more?

The late Senator Dolliver, at the American Periodical Association's banquet, at the New Willard hotel, at Washington, a year ago, said: "I look upon every one of your little advertisements as a traveling salesman for the industries of the United States."

The amazing development of the industries of the country is in a large measure due to second-class matter; the great increase of second-class matter is due to the low postage rate; and the wonderful expansion of the postal establishment is based chiefly upon the widespread distribution of newspapers and periodicals.

The foregoing figures are respectfully submitted; they are official; and their significance can be interpreted by any intelligent and thoughtful person. In the presence of these figures, is it too much to claim that the government has never lost a dollar in transporting second-class mail, that it is by far the most profitable of any, and that, were it withdrawn or greatly curtailed by an increase of rate, the postal establishment would collapse into bankruptcy?

In view, also, of the foregoing figures it is hoped that the government will assume a less antagonistic attitude toward the publishing business, and encourage and promote the circulation of the public press rather than repress and curtail it. Its obstructive course has been pursued too long, having no basis in justice, business foresight, or common sense.

Let there be a realization and an awakening!

IN MEMORIAM.

During the last fiscal postal year the death list of publications footed up to 4,229. Of these, 504 died a-bornin, that is, were denied entry; the others—3,725—were papers that had been established.

In the decade from 1901 to 1910, inclusive, 11,563 publications were strangled at birth (denied entry), and of established papers that died there were 32,060

How many of these were forced to give up the struggle for existence on account of the hard conditions imposed by the government, we have no means of knowing It is not found in the annual reports. It is beyond question that with sample copies cut off and necessary credit for subscriptions forbidden, no publishers without large cash capital to draw from can start and keep going in competition with old established papers.

Why at this time, when the people are trying to get rid of monopoly, the government should thus build one up, is hard to comprehend.

We are informed that the rule in regard to expired subscriptions "has met with strong approval and continues to grow in favor with publishers and the public generally" This statement is made by the newly installed Third Assistant Postmaster General, but it is a delusion which Mr. Britt has unfortunately inherited from his predecessor. It may be true as to those benefited by the monopoly, but not as to those who have been put down and out. "Dead men tell no tales."

I had intended to omit that "In Memoriam." Then I carefully read it over. The appalling slaughter of the "innocents" which it exposes was so new to me, news of such a tragic nature in the domain of periodical publishing, that I then and there changed my mind. I am of the opinion that the news conveyed in its five brief paragraphs will be as new and as surprising to most of my readers as it was to me. Think of 42,623 publications put out of business in *ten years*? Of 4,229 sent to the commercial—in most instances, probably, to the *financial* —junk pile in one year—last year? Then think of the causes this conscientious writer holds chargeable for a large share of the slaughter!

ATTEMPT TO BREACH THE CONSTITUTION.

We will now revert to the bold attempt made in presenting that rider amendment to the postoffice appropriation bill to breach the federal constitution, following which we will take up some of Mr. Hitchcock's efforts to show how much or how little he knows about the business of publishing and distributing magazines and other periodical literature.

First let us inquire if Mr. Hitchcock and the coterie backing that Senate "rider" *knew* that, under the Constitution, all measures for

raising federal revenue must originate in the Lower House of Congress? One scarcely dares conclude they were so densely ignorant as that. Then, was theirs a deliberate, calculated attempt to breach the constitutional prerogatives and rights of the Lower House? Did they figure upon putting through that vicious rider in the congested closing hours of Congress? I call them the *crooked* hours of Congress. Did those backers of that rider *hope* that Senators and Congressmen would overlook or fail to read that rider, hope that so many would be so fully occupied by the swan-song chorus being sung during those closing hours that they would not notice that "rider" jumping the constitutional hurdles?

Now, if either one of the last assigned reasons is valid, a word stronger than "ignorance" should apply to such tricky, treacherous action, whether it is practiced by Senators, Congressmen, cabinet chiefs or chiefs higher up. One greatly dislikes to apply a fitting term to such ulterior motives as lead high and respected public officials to breach the constitution by trickery about on a level with that of the sneak thief or with that of a "con" man who thinks he has done his full duty by the people when he has sold Reuben the painted brick. But how could Mr. Hitchcock and those Senators co-operating with him be ignorant of the plain letter of the law and supported by a long line of precedents in both the Senate and the House?

As to the Senate precedents for the House's right to originate all measures for the raising of revenues, Mr. Henry H. Gilfry, Chief Clerk of the Senate, compiled in 1871 a work entitled "Decisions on Points of Order with Phraseology in the United States Senate." Mr. Gilfry cites the attempt of the Senate to repeal the income tax. The House returned the bill to the Senate with a reminder that the Constitution "vests in the House of Representatives the sole power to originate such measures. Mr. Gilfry cites many other precedents.

In 1905 the Senate tried to originate revenues by amendment to the postoffice appropriation bill. That amendment was very similar to the "rider" of Mr. Hitchcock. I will here reprint it:

"That hereafter the rate of postage on packages of books or merchandise mailed at the distributing postoffice of any rural free delivery to a patron on said route shall be three cents for each pound or any fraction thereof. This rate shall apply only to packages deposited at the local postoffice for delivery to patrons on routes

emanating from that office, or collected by rural carriers for delivery to the office from which the route emanates, and not to mail transmitted from one office to another, and shall not apply to packages exceeding 5 pounds in weight."

The House brought that measure to conference and flatly *refused to recognize the power of the Senate in the premises.* The Senate receded and the amendment was killed.

"Hinds' Precedents of the House of Representatives" is a recognized authority. In Chapter XLII, Vol. 2, under the caption, "Prerogatives of the House as to Revenue Legislation," Mr. Hinds cites many instances in which the House had invariably insisted upon the *exclusive exercise of its rights as defined in Section 7, Article 1, of the Constitution.*

Mr. Hinds cites in all one hundred and twenty-five precedents, each of which raises the same point of order as was raised in debating Mr. Hitchcock's late "rider" and on each of which the House *maintained its right to originate all bills for raising revenues.*

In view of the fact that some of Mr. Hitchcock's supporters were men of experience, skilled parliamentarians, in view of the fact that some of them were trained lawyers, and in view of the further fact that the works both of Mr. Hinds and of Mr. Gilfry are on file in the reference libraries of the Senate and House and probably in most of the departments, how, I ask, in view of the above facts, can either Mr. Hitchcock or any of his supporters enter a valid plea of *ignorance* of the fact that their attempt to put over that rider was controvening the constitutional rights and prerogatives of the House?

No, they were not ignorant. In my judgment, as based upon the reports which have reached me, that "rider" was a deliberate frame-up and its architects were a few conspirators who sought by means of that rider either to put certain periodicals out of business or *force them to print what they were told to publish.*

Possibly I may be in error as to this, but the careful observation of the best informed and most experienced correspondents on the Washington assignment, as well as a number of Senators and Congressmen, have, in reports made, supplied ample evidence to warrant my statement to the effect that there was a collusive understanding among a few people to present that "rider" in the closing hours of the session with the hope that in the rush of affairs it might escape

notice and go through. And that hope was born of an ulterior purpose to get even with some monthly and weekly publications—publications of *independent* thought and voice and which have for several years been *telling the truth* about certain Senators and Congressmen. These independent periodicals have also been telling a rapidly growing multitude of eager readers the cold, unvarnished facts about some corporations and corporate interests which, it is generally believed and openly charged, are represented in federal legislation and in cabinet and other official circles in Washington *by several of the very men who were so actively supporting Mr. Hitchcock in pushing his "rider" over the legislative course.*

A brief summary of the history of that rider may be presented at this point. The Penrose-Overstreet bill was before the House in the early part of 1910. It carried no recommendation of an increased rate on second-class matter. This Penrose-Overstreet bill was, however, reintroduced in the House by Congressman Weeks, of Massachusetts, Chairman of the House Postoffice Committee, and by Senator Carter in the Senate. The House refused either to approve or take action on Mr. Hitchcock's recommendation. After consideration, the Senate approved the House bill. That bill carried no recommendation for an increase in second-class postage rates. Not a single member of the Senate during the debate suggested nor introduced any bill or amendment recommending such increase.

In his message of December, 1910, President Taft recommended an increase in the second-class mail rates. His recommendation was couched in language very similar to that used in his message of December, 1909.

Mr. Samuel Blythe, from whom I have previously quoted extendedly, says some pertinent things in commenting on the situation at this point in our brief outline of how this "rider" got mounted for a lap or two and then was blanketed in the home-stretch:

"The Postmaster General had not been idle in the matter. He had it on his mind. Moreover, his party had been defeated at the polls in the previous November and about the only Republicans who were successful were Progressive Republicans against whom the President had admitted, in his famous Norton-Iowa letter, he had been discriminating and for whom Mr. Hitchcock had no sympathy. The policies, and in many cases the individuals, in the progressive

movement had had large support from the magazines and periodicals; and before that, the reactionaries who had ultimately been defeated, had been assailed because of their misdeeds."

There is a lot of bone and sinew in that. Of course, both the President and his Postmaster General wanted to make good; wanted, as I have previously intimated, to get rid of those pestiferous independent periodicals which had been so conspicuous and powerful in unhorsing some of their stand-pat friends in the elections of November.

Mr. Hitchcock is not one of the sort of men who rush in where angels fear to tread. He is quite a general. He can make the waiting tactics of General McClellan, it would seem, apply beautifully to a political maneuver. He can wait and bide his time. At any rate, he waited. He waited until the President and other friends had worked that announced method of "discriminating" against the progressives, the so-called "insurgents," to the end of appointing a Senate Committee on Postoffices and Postroads, the personnel of which suited Mr. Hitchcock's quietly nursed purpose—in fact suited him as well as if he had selected the committee himself. Mr. Hitchcock, however, still waited, and while he waited, the House Committee had been appointed and was engaged in considering the postoffice appropriation bill. This House Committee held numerous sessions and gave hearings to many newspapermen and to publishers of periodicals. It went over the entire field of requirement in the government postal services and appears to have gone into the subject of second-class mail rates and the cost of its transportation and handling most carefully and thoroughly. The result of its deliberations was to tender to the House a bill carrying, as previously stated, an appropriation of some $258,000,000 for the year's salaries, maintenance and operation of the Postoffice Department, a sum which must certainly appear liberal to any informed reader.

In this connection, two points stand out in bold relief. First:—When the House bill covering the 1911 appropriations for the Postoffice Department was passed and advanced to the Senate, *it carried no provision or recommendation for an increase of the second-class postage rates.*

Second:—As previously stated the House committee held many sessions while considering and preparing its 1911 Postoffice Depart-

ment appropriation bill, and *at no session of that committee did Mr. Hitchcock urge an increase in the second-class postage rates. He made no propositions or recommendations to that committee touching on increases in the second-class mail rate.*

In fact he made no proposition of any sort to that committee. Nor did he submit any statements or figures to that committee, other than those contained in his 1910 report and in the President's message.

Rather a queer procedure that, is it not? Especially is it queer, likewise suggestive, in a man who, for two years, had been running with anti-skidding tires on and the high-speed lever pushed clear down, in a wild chase to capture an increase in the second-class mail rate.

That is the way it looks to The Man on the Ladder, anyway.

Why did Mr. Hitchcock so completely ignore that House committee? Or why, at most, did his attitude, when present at any of its sessions, manifest so little interest as almost to indicate an *indifference* as to what was done or not done? Why, again, was Mr. Hitchcock so inactive, so void of suggestions and recommendations when before that branch of federal legislative authority with which he knew must originate *all* measures for the raising of revenues?

Why? To that question there appears, to The Man on the Ladder, but one valid answer. *Mr. Hitchcock was waiting.*

When the House bill was sent to the Senate and referred to the Senate Committee on Postoffices and Postroads, it appears from reports of people whose business it is to watch things done and doing at Washington, D. C., that Postmaster General Hitchcock livened up a bit, being careful, however, not to put any noticeable pressure on his high-speed lever *until those meddlesome publishers had left town and were well away.*

These publishers, knowing the constitutional prerogatives of the Lower House, considered matters safe and settled when the House bill making appropriations for the Postoffice Department was adopted and advanced to the Senate. They knew it carried no section advancing second-class postage rates nor any recommendations favoring such advance. With the publishers that ended it. But they failed to consider Mr. Hitchcock. His wiles and ways were, it appears, neither understood nor even suspicioned by those publishers. So, confident and content, they gathered up their belongings, packed

their grips, paid their hotel bills and hied away to their several homes. Then it was that Mr. Hitchcock got busy with that discriminatingly selected committee of the Senate—the Committee on Postoffices and Postroads.

To see how "discriminating" some one or more persons had been in selecting that committee, let us look over its membership. At its head, as Chairman, sat Boies Penrose. He is the reputed Republican boss of Pennsylvania and an "organization" man. So is President Taft an organization man. Therefore Senator Penrose is an Administration man to the last ditch—that is, of course, if the administration is Republican. Mr. Hitchcock is also an organization man, and if both the President and his Postmaster General wanted this "rider" turned loose on the senate tanbark, Mr. Penrose was willing to go along with them. The other members of the committee were:—

Republicans:—

Scott, of West Virginia.
Burrows, of Michigan.
Dick, of Ohio.
Crane, of Massachusetts.
Guggenheim, of Colorado.

Democrats:—

Taliaferro, of Florida.
Bankhead, of Alabama.
Taylor, of Tennessee.
Terrell, of Georgia.

We will scrutinize that list and see how the members fared at the November election. The first four Republicans and the first Democrat as named in the list were defeated at the last senatorial selection—in fact they were repudiated by the states they had been representing or misrepresenting, as the reader cares to take it. As these defeated toga-smudgers attributed their overthrow largely to newspaper and other periodical attacks upon them, Mr. Hitchcock naturally found them in line for anything he wanted to visit upon those offensive publications.

Of the other Republicans, Crane, is reputed to be lugging around with him a large-sized aspiration to be Republican leader in the Senate. If he cashes that ambition, he must necessarily stand pat

with the President and Hitchcock, in spite of the alleged fact that Senator Crane does not carry an over-load of esteem for said Hitchcock. The other left-over Republican member of the committee, Guggenheim, would not be worth mentioning were it not for the fact that the methods pursued by himself and his friends in his elevation to senatorial honors have put him in the class almost removed from criticism. Those methods received much caustic consideration from newspapers and other periodicals. Simon Guggenheim, though reputed to be noticeably obtuse in comprehension and decidedly pachydermatous of integument, is probably neither so dull nor so thick of skin as not to have felt and to have remembered the exposure the magazines made of the methods they asserted were used to secure his toga; methods, it was asserted, which virtually bought his "friends," both those in and those out of Colorado's legislature. Yes, Simon probably remembers those exposures and the sources from which they emanated.

Entirely aside from that fact, Simon Guggenheim is a dyed-in-the-wool Administration man. In fact, if reports be true, and his record in the Senate appears to justify the reports, Senator Guggenheim could not be other than an Administration man. First, it is said, there are "official" motives and reasons for his being such, and, second, that his intellectual equipment is so out of repair, or so lacking in native operating power, as virtually to disqualify him for any part or position save that of a nonentity in legislative procedure and affairs.

So Senator Simon "Gugg" must necessarily stand with the President and the Postmaster General on the "rider" amendment as on any other proposition *they* wanted to forward.

As to the hold-over or returned Democratic members of that committee little needs be said as the Democrats were in the minority anyway. Senator Bankhead is quite generally recognized as a congenial, obliging and accommodating politician. In all probability, he would not enter any strenuous objections to Mr. Hitchcock's proposed amendment, provided a hint was given him that the President approved it. That such hint was handed around quite freely before the committee's report was submitted to the Senate is a matter of common knowledge.

Senator Taylor first voted for the rider amendment. Later,

however, when he neared Jericho, the scales appear to have fallen from his eyes and he then saw things differently. At any rate he later voted against the amendment.

Senator Terrell of Georgia was ill, and therefore not present when action was had. It will be seen, then, that the Postmaster General *had his "discriminating" committee.*

Mr. Hitchcock began his advance on that committee February 1st. He approached certain of its members on the 1st and 2nd and informed them, in effect, that he wanted them to urge a second-class amendment to the postoffice appropriation bill, which the committee had under consideration. He, it is reported, also assured these senators that President Taft most earnestly desired that an increase be made in second-class rates. He got a committee appointed, consisting of Senators Carter, Crane and others to confer with the President regarding the matter. Owing, however, to the pending of other legislation in the Senate (the ship subsidy bill in particular), the matter dragged along until the 8th of February. During the delay, Hitchcock made sure of the committee by nailing down Penrose, Crane, Burrows, Carter, Scott, Bankhead, Taliaferro, Dick and Simon "Gugg." On the date last named, Senators Carter and Crane went to the White House "by request" to confer with the President. The President, it is said on authority, flatly told the two Senators that they "must" put the amendment into the bill. It is also reported, and to their credit, that the two Senators argued strenuously against the expediency of inserting it, pointing out the fact that such an amendment would go out on a point of order under Senate Rule XVI. Mr. Hitchcock was present throughout the conference. Incidentally, it may be likewise noted that Vice-President Sherman dropped in, quite "by accident" of course, but be showed no hesitancy, it is said, in participating in the discussion as actively as Postmaster General Hitchcock had been doing from the beginning of the conference. While the President and his Postmaster General were arguing with the Senators to prove to them how important the action was to the Administration; why the "rider" must go into the bill as an amendment, and probably why it was "time for all good organization men to come to the aid of the party," Mr. Sherman probably dropped a few timely hints to the effect of how easy it would be, with the gavel in his hands and a quick, true and *favoring*

eye for floor recognitions, *to get around* Senate Rule XVI. In the end, Senators Carter and Crane were won over and a meeting of the Postoffice and Postroads Committee was called for the afternoon of the same day, Wednesday, February 8th, 1911.

When the committee got together it was found that there was not a single proposition of any sort relating to second-class mail rates before it for consideration. Neither was there a written suggestion, recommendation or report bearing upon that subject before them. Mr. Hitchcock, however, was present at this committee meeting. He formulated his proposition and the committee went into session, the discussion being led by Senators Carter and Crane, who had become "convinced" against their best judgment if not against their will, in the forenoon of the same day, to support the amendment. The discussion lasted for several hours, with Mr. Hitchcock's deficit occasionally buzzing as his wheels went round. Then the committee adjourned until the next afternoon, February 9th.

Mr. Hitchcock left the room after the discussion and, it is said, went immediately and reported to the President. Upon learning that the attitude of the committee was unfriendly, the President at once began to turn on more current, not hesitating to use his patronage club in doing so, reports say.

The committee met, as agreed at its adjournment. *Mr. Hitchcock was present with his rider amendment all written up and fully varnished and frescoed, and in two hours Mr. Hitchcock's rider amendment was tacked onto the bill,* in wording substantially as it appears on another page.

Then the real fight began. Hitchcock stood to his embrazured guns, to his reprisal rider, throughout the entire engagement. As an evidence that it was his rider, or his and President Taft's, I desire here to present to the reader points in proof:

That picked "discriminating" Senate committee had a majority of defeated or otherwise disgruntled politicians. They were defeated or disgruntled because certain independent periodicals had, figuratively speaking, peeled the varnish and smooth epidermis off them, thus exposing their decayed or decaying carcasses to a public not only able to read and understand, but a public *willing* to read and understand.

I will offer a few other established facts. Mr. Hitchcock, during the closing days of the fight, *devoted nearly his entire time to pushing*

and advocating his measure, his carefully prepared scheme. A canvass of the Senate was made, which canvass led Mr. Hitchcock to believe he had the votes to put his rider over the course a sure winner. In that, however, he was mistaken. A number of the Senators had wised up as to the real purpose and purport of that rider and, in the canvass, they *handed back to him a little of his own peculiar brand of jolly, which he had delivered to them in unbroken packages, freight prepaid.*

After his canvass, Mr. Hitchcock still kept his oil tank well filled, and his "deficit" playing rag-time to boost his rider along. He even kept his deficit buzzer going after nearly everyone about the Capitol *knew* that Senators La Follette, Bristow, Owen, Gore, Cummins, Bourne, Clapp, Beveridge, Borah, Brown and others intended to *talk his rider into the ditch* or talk the postoffice appropriation bill into the Sixty-second Congress.

Yes, Postmaster General Hitchcock, though neither a very competent nor scrupulous tactician, nor an able manager for any large business, industrial or other, is a *good fighter.* That much must be said for him. When a man fights to the last ditch for a lost or losing cause or purpose as he fought for his "rider," that man has courage, nerve, whatever we may call it, in him. At any rate it is a quality which commands respect and the man possessing such a quality will receive his just meed of respect wherever men *are* men.

Mr. Hitchcock worked up a vigorous support for what The Man on the Ladder considers not only an objectionable cause, but a cause viciously dangerous to our form of government, to the material welfare of our people, to their educational advancement as well as to their moral and intellectual betterment.

That is the reason he opposes the purpose of this rider amendment and the methods used to enact it into law. In brief, that is why this book has been written. How Mr. Hitchcock secured a following, even for the brief period his followers followed, for such a cause and the methods used to advance it is as difficult for me to work out or solve as the "Pigs-in-Clover" puzzle or the "How Old Is Ann" problem. He must certainly have learned some new "holds" or tricks in what Sewell Ford calls "the confidential tackle," or he could not have secured so many "falls" in so short a time for a cause that was bad and for methods even worse, if such were possible.

Now we will take up the Postmaster General's somewhat prolific, if not always lucid, verbiage, to prove that he knows more about the publication and distribution of publications than the most experienced and successful periodical publishers have yet learned, however experienced they are and however hard they have striven to familiarize themselves with the many intricacies which the business involves.

CHAPTER III.

SOME PUBLIC-BUBBLING FIGURES.

Postmaster General Hitchcock's persistent activity in seeking to push the "rider" through the Senate was a noticeable feature in the closing hours of that session of Congress, his industry showing in his daily contact on the floor of the Senate with the members who seemed pliable or willing to harken to his wishes in the matter pertaining to the legislation he wished to have made into law. The following communications, adroit and carefully worded to Chairman Penrose, boldly justified the increase on second-class matter, and may be regarded as the dying struggle of the postoffice head to gain his point.

The italics are the writer's and set out the controversial promiscuousness of the Postmaster General. The letters bear date February 14-15, 1911:

WASHINGTON, D. C., February 14, 1911.

MY DEAR SENATOR:—In response to your request I *submit the following statement* relative to the section of the postal appropriation bill, H. R. 31539, now pending in the Senate that provides for an increase in the postage rate on the advertising portions of periodical publications mailed as second-class matter.

Under the provision in the bill the postage rate on the advertising pages of magazines is increased from 1 cent to 4 cents a pound, *but this increase does not apply to newspapers of any kind*, nor does it affect periodical publications mailing less than 4,000 pounds each issue. By the terms of the provision the privilege of carrying advertisements is for the first time extended to several classes of periodical publications enumerated in the act of March 3, 1879, namely, the periodical *publications of benevolent or fraternal organizations, of regularly incorporated institutions of learning, of trade union organizations, and of professional, literary, historical, and scientific societies, including state boards of health.*

As the advertising portions of magazines comprise on an average about a *third* of their total weight the effect of an increase from 1 to 4 cents on the advertising pages will be to advance the postage rate for second-class matter as a whole about 1 cent, making the second-class rate 2 cents a pound instead of 1 cent, as at present. In view of the fact that it costs the government about 9 cents a pound to handle and transport this class of mail the proposed increase is an exceedingly moderate one.

In a whole page newspaper advertisement printed on the 12th instant, signed by 34 of the *principal magazine and periodical publications* of the country, it is stated that the increased rate "will drive a majority of the popular magazines out

of existence, and with them the enormous volume of profitable first-class mail their advertising creates." *This charge is made in the face of the fact that some, if not all, of the signers of the statement are realizing tremendous profits from the vast amount of high-priced advertisements.*

It has been found *on investigation* that one of the great periodical publications signing this protest contained in 21 of its successive issues, from January 1, 1910, to and including May 21, 1910, exclusive of cover pages, an average of 19,354 agate lines of advertising matter, which, at the same rate, would make a total of 1,006,408 lines for the year.

On October 1, 1910, the publisher of this periodical increased the rate for ordinary advertising in his publication from $5 to $6 an agate line. At the higher rate the *gross value* of the ordinary advertising space for one year would amount to $6,038,448. Increased rates charged for the inside and outside cover pages would bring $650,000, making a total *gross value* of $6,688,448. Allowing a discount of 15 per cent, or $1,003,267, there would remain as a *total net value* of the advertising in this publication for a single year the *tremendous sum of $5,685,181.* The additional income from advertising resulting from the increased rates would amount in a year *to $957,107, which would be much more than sufficient to pay the proposed higher postage rate of 4 cents a pound on the advertising pages of the publication during the fiscal year ended June 30, 1910.* In other words, *the advance in advertising rates for this periodical will not only meet the higher postage charges, but will leave a surplus of increased revenue to swell the annual profits of the magazine.*

In a printed statement recently issued by the president of one of the leading magazine-publishing companies of New York City, *the exceedingly profitable nature of the magazine business was clearly set forth.* According to his statement the profits of his own magazine for the *month of October, 1910, showed an increase over the corresponding* month for 1909 of 100 per cent on advertisements and 151 per cent on *subscriptions, making a net annual profit for dividends and surplus, based on a circulation of 500,000 copies monthly, of $348,980.* Regarding the periodical-publishing business in general, the same gentleman says in his statement that "magazine publishers receive *gross* incomes as high as $6,000,000 in a single year. Dividends amounting approximately to $1,000,000 yearly have been made." Speaking of the publishers of some of the magazines joining in the protest against the proposed legislation, he says that one of them, according to his own statement, realizes a net profit of $1,000,000 annually; of another, the principal owner of two great publications, that his gross income is more than $6,000,000 annually, and that his net profits for the same period exceed $1,000,000; of another, that his magazine yields more than 10 per cent on a capital of $10,000,000; of another, that his net profits are $600,000; of another, that the value of his advertising space alone is $1,500,000 a year; of another, that his advertising receipts are $75,000 per month and his profits are from $600,000 to $800,000 per year; of still another, that his publishing business represents a profit of 100 per cent a year to its stockholders.

My Dear Senator:—On February 13, 1911, Everybody's Magazine

published in the local newspapers a full page advertisement attacking the proposed increase in second-class postage carried by the postal bill now pending in the Senate. In their statement the publishers claimed to have a circulation of 650,000 copies per issue and asserted that "the postal measure now before Congress increases the cost of handling Everybody's Magazine $150,000 a year." They further stated that in view of the fact that the magazine makes "each year for its stockholders about $100,000," the proposed increase would "actually exclude the magazine from the mails."

The department's figures for the calendar year 1910 show that Everybody's Magazine mailed at the New York City postoffice 2,898,372 pounds of its issues as second-class matter, on which the postage at the cent-a-pound rate was $28,983.72. As an average of one-half of the pages is devoted to advertising, the proposed increase of 3 cents per pound on such matter would make the additional postage $43,475.58 per annum instead of $150,000, as stated by the publishers of the magazine.

Based on the publishers' statement of 650,000 circulation, the gross income of Everybody's would be about $1,550,000 annually, divided as follows.

200,000 subscriptions, at $1 (net)	$200,000
450,000 news-stand sales, at $1 (net)	450,000
150 pages of advertising per month, at $500 per page	900,000
Grand total	$1,550,000

Since the publishers state that the magazine makes each year for its stockholders only about $100,000, the approximate cost of publication reaches the surprisingly high figure of $1,450,000. Using their own statement showing a circulation of 650,000, it appears that Everybody's issues 7,800,000 single copies annually. If their total net profits are only $100,000, it is evident that it must cost the publishers approximately 19 cents to place a copy of the magazine in the hands of a reader who can secure it on the news stand for 15 cents.

Before your committee reported the bill providing for the increased rate on second-class matter, the publishers of Everybody's Magazine announced that on and after March 6, 1911, their rates for ordinary advertising would be advanced from $500 to $600 a page. On the extremely conservative estimate that the magazine carries a monthly average of 150 advertising pages, this advance will produce an additional income of $150,000 per annum. As the proposed increase of postage during a like period will amount to approximately $43,500, it is evident that out of the increase of revenue alone the magazine will be able to pay the additional postage and still retain a considerable surplus for its stockholders.

Yours, very truly,
FRANK H. HITCHCOCK,
Postmaster General

Investigations recently made by the Postoffice Department show that large numbers of periodical publications already entered as second-class matter are in reality nothing more than trade catalogues, which, under the law, ought to be treated as third-class matter and subjected to a postage charge of 8 cents a

pound, which is the rate for catalogues. By inserting a few pages of reading matter, these publications succeeded in being classed as magazines and thus secured admission at the cent-a-pound rate. Among publications of this kind is one containing 140 pages, 99 per cent of which are devoted to advertisements; another containing 562 pages, 97 per cent of which are devoted to advertisements; another containing 238 pages, 93 per cent of which are devoted to advertisements; and another containing 268 pages, 89 per cent of which are devoted to advertisements. Almost the entire space in these publications is devoted to the carrying of commercial advertisements, and this in defiance of the statute specifically excluding from the second-class privileges "publications designed primarily for advertising purposes."

By the proposed law, magazines, in so far as they provide public information, are left exactly on a par with newspapers and the smaller periodicals, for the increase of rate of 3 cents a pound attaches only to such portions of the magazines as are devoted to advertising purposes.

The stock argument of magazine publishers that the profit to the government on first-class matter induced by the advertisements in their publications offsets any loss incurred by reason of the low postage rate on second-class matter is disproved by the fact that the government's entire profit on first-class matter is less than the total loss on second-class mail matter.

During the fiscal year 1910 over 800,000,000 pounds of second-class matter were carried through the mails at a loss to the government of $62,000,000. The profits on all other classes of mail matter were more than swallowed up by this tremendous loss, leaving a postal deficit for the year of about $6,000,000. It is estimated that the annual saving to the government through the proposed increase in postage will amount to about $6,000,000, or enough to wipe out what remains of the deficit.

Magazines have repeatedly increased their advertising rates as their circulation has grown, but the postal charges for the handling and transportation of these magazines have remained stationary for years, so that while this increased circulation has swollen the profits of the publishers it has added correspondingly to the loss sustained by the government. It is clearly inequitable that the public in its general correspondence, the publishers of books and pamphlets, and the senders of small merchandise should continue to be taxed to meet the deficit caused by a subsidy enjoyed by the publishers of the large magazines.

Yours, very truly,

FRANK H. HITCHCOCK,
Postmaster General.

MY DEAR SENATOR:—Observing that the periodical publishers in their opposition to the pending provision increasing postage on second-class mail matter frequently refer to the low rate of one-fourth cent per pound charged by the Dominion of Canada on newspapers and periodicals, I think it well to point out the fact that while this exceptionally low rate does prevail in that country because of the peculiar conditions there, European countries, so far as our information goes, charge a higher rate than the United States, notwithstanding their

much smaller areas. The rates charged by Great Britain, Germany, and France are considerably higher than the rate provided for in the bill now pending in the Senate. I inclose herewith a memorandum giving such information as we have regarding the postage rates charged on newspapers and periodicals by European countries.

Yours, very truly.

FRANK H. HITCHCOCK,
Postmaster General.

Postage rate, in cents per pound, on newspapers and periodicals in European countries.

Great Britain (one forty-first of the area of the United States), 1 cent a copy for local delivery, but for general distribution by parcels post in quantities, 6 cents for the first pound and 2 cents for each additional pound up to 11 pounds.

	Cents.
Germany (one-seventeenth of the area of the United States)	4 4-5
France (one-seventeenth of the area of the United States)	4
Italy (one thirty-third of the area of the United States):	
Daily newspapers	1 1-8
Other publications	2
Holland (one two-hundred-and-eighty-fourth of the area of the United States)	1 4-5
Belgium (one three-hundred-and-eighteenth of the area of the United States)	1 1-5

Under the provisions of the International Postal Convention, newspapers and periodicals are mailed by all the signatory parties at the uniform rate of 1 cent for each 2 ounces or fraction thereof—practically, 8 cents per pound.

Postmaster General Hitchcock in his letter, submitted under date of February 14, 1911, quotes some publisher (name not mentioned), as saying that "magazine publishers receive *gross* incomes as high as $6,000,000 in a single year" . . . . "that one of them, according to his own statement, realizes a net profit of $1,000,000 annually" . . . . another, "the principal owner of two great magazines, says that his *gross* income is more than $6,000,000 a year;" of another "that his magazine yields more than 10% profit on a capitalization of $10,000,000," etc., etc.

Beyond stating that the foregoing declarations were made by the "President of one of the leading magazine publishing companies of New York city," Mr. Hitchcock sayeth not, save as he quotes (see seventh paragraph of the Hitchcock letter), this President as saying what Mr. Hitchcock says he said. The Postmaster General does not name this "President."

Regretting this oversight of our Postmaster General very much, I would like to know whether or not this "President" is the real,

genuine article of president, or is merely one of these "phoney" presidents who laboriously support the honors of the corporate title and vote three shares of stock, usually *given* by the promoters of an organization for the "influence" of an honored name in starting the wheels to revolve.

I mean by this that it would be *information* to thousands of Mr. Hitchcock's readers, as well as to thousands of publishers and printers, *and numerous millions of American citizens*, had he, Mr. Hitchcock, told them whether this "President" he quotes so liberally, likewise confidently and confidingly, is a real, live-wire president, active in the management of his periodical, and, therefore, fully informed as to its business, expenditures, profits, etc., etc., or, on the other hand, whether or not he is merely a corporation stool-bird for the promotion of a publication enterprise through selling the stock of the concern to the E. Z.-Mark investing public.

The quotations which our Postmaster General makes from this publisher "President" sound to me with quite a familiar *tang*. They read a good bit like a promotion circular, like an "annual statement" which corporations and companies as well as individuals print and distribute to call attention to the prosperous *future* they have in sight, incidentally inviting *investment* from savings banks accounts, stocking hoardings, etc.

Nothing wrong about that method of "public bubbling" at all. Even banking institutions, national and state, sometimes resort to it. Occasionally, commercial houses have used it. So, also, has the Steel Corporation, when it wished its employes to chip in a few millions for "a personal interest." Our friend, "Bet-You-a-Million-Gates," used it to advantage in reorganizing the Louisville and Nashville system, and it is a practice now and again indulged in among our Napoleons of finance, as well as great captains in the industrial realm.

For this reason I cannot—until our Postmaster General further enlightens us regarding this publisher-president as to his personality, individuality and general business activity in and knowledge of, his own publication business,—say anything in adverse criticism of this "President" Mr Hitchcock quotes so liberally, likewise unctuously.

However, having been a periodical publisher myself, in a small way, I shall presume here to present a few figures *approximately*

applicable to larger periodical enterprises. Mr. Hitchcock has much to say about *gross* receipts, *gross* revenues, and other *gross*. I shall present my estimate of *net profits*. For this purpose, I shall take a monthly periodical reputedly issuing 650,000 copies a month, each number weighing about one pound.

Now, let it be here distinctly understood by the reader that my figures, mostly estimates, are those of a man with experience only as a small periodical publisher, say of 50,000 a month, not 650,000.

Estimated income of the publisher of a standard monthly periodical distributing 650,000 copies monthly of average weight of one pound each, Mr. Hitchcock figures to be (see his letter), about $6,000,000. The gross annual receipts from subscriptions on a periodical issuing 650,000 copies per month, and retailing at 15 cents per copy, is less than $750,000. Such periodicals realize about 12½ cents each for subscribed copies and 8 cents net for copies delivered in bulk to newsdealers and agencies. The first item of expense the publisher incurs, therefore, is in the issue cost of production over what he receives for the copies issued. It is knowledge common to every periodical publisher, newspaper as well as magazine, that every subscriber as well as news-stand buyer of his periodical is a *subsidized reader*. Do you catch the import of that statement?

Did you ever think of that, Mr. Reader? Frankly I confess that I did not, until quite recently, when a large producer of trade journals and edition books, and likewise one of our largest manufacturing printers, pointed out the facts to me. His varied business interests are such that he must necessarily buy at the lowest market cost, must know to the fraction of a cent what those costs are—the cost of composition, of presswork, of ink, of color work, of covers, of binding, of cartage, of rail haulage, of distribution, etc., etc.

Well, this gentleman summoned me off the ladder, and "called" me in a way which made my landing somewhat abrupt, in order to tell me some things about periodical publishing which he had shrewdly, likewise correctly, guessed that I did not know.

Among the things he told me, not only told me but proved to me, was the one stated: that readers of periodicals get, *in net mechanical cost, more than the publishers receive for the publication sold.*

In proof of this he cited the 8-page dailies issued in cities of the second and third classes, and the 16 to 32-page dailies published in

our metropolitan cities; also the great "Sunday Editions" issued by the latter, issues which run more largely to color and *tonnage* than to news and literature. The former, (the dailies), my publisher friend pointed out, realize about *six-tenths of one cent a copy*—a little less, if they do cartage for any considerable part of their local deliveries or pay rail haulage charges on outside deliveries. Of course, my tutor is speaking of news agents and carrier deliveries. On their regular subscribed issues publishers realize a little more. But the difference, when cost of wrapping and addressing is figured, is so trifling as not to be worth considering. It can be safely figured that the net price received by the publisher of a newspaper is six-tenths of one cent for the daily and about three and a half cents—probably nearer three cents—for the leviathan metropolitan Sunday edition.

Just here is where my publisher friend's knowledge of *market costs* came forth for my enlightenment and, I sincerely hope, for my reader's as well. Having studied his business from the "stumpage" up, so to speak, he began with the cost of pulp wood timber, "of stumpage," from the spruce forests of the north and farther north, the scattered linn or basswood of the east and southeast, and of the soft maple and cottonwood of the southeast and south. Then he told me of the prices paid the "lumber jacks" to fell and saw this pulpwood; of the cost of hauling it by ox,mule or horsepower to the river "roll-way," which river would carry it down to the pulp mill, or hauling it to the railroad loading station for rail carriage to the same point.

Nor did he do that only. He told me the price of the "web press roll" and of "flat-print" papers into which the wood pulp is made, paper stock on which is printed all our periodicals—both newspapers and monthly and weekly periodicals. Next he told me of the price of composition, (typesetting, as we used to call it), by the most modern methods, the linotype and the monotype machines. Then he talked of ink and presswork costs, of color work, folding, stitching and covering or binding; of the cost of wrapping, addressing, cartage, rail haulage and distribution. The result of the expert's showing of the *cost* of raw material and of skilled and other labor in periodical publication, as the periodicals are printed and marketed today, was to the effect that the reader gets his daily, weekly or monthly publication, on an average, *at less than half what it costs the publisher to produce it.*

Further, it was conclusively shown to me, that the publisher's *net* receipts for a newspaper, magazine or other periodical is often but a third, sometimes less than *a fourth*, of the net cost to him of its production and distribution.

With this preliminary, we will now go back to our magazine of 650,000 monthly issue and Postmaster General Hitchcock's estimate of its profits.

Postmaster General Hitchcock's talk of "gross" receipts of $6,000,000 a year is ill advised. Let us see what must be charged off from that $6,000,000 before the publisher can count his profits.

First, we will figure the publisher's loss on published copies. Taking only the flat cost of paper, ink and composition; of the cost of fine color and half-tone pages such as monthly periodicals must print; of cover designing, presswork, and binding, of wrapping and addressing, say 150,000 copies of the monthly issue to individual addresses, that being, approximately at least, the number of subscribed readers the publisher will have on a total issue of 650,000 copies. Next comes the cost of sacking his subscribed circulation and of bundling and wrapping, then of cartage to mail trains. The prominent periodical publisher not only delivers his subscribed list *sacked* to the mail car, but he *routes* the larger portion of it, the railway mail clerks having nothing to do with it save to dump it off at the designated stations. Then he must meet the carriage and delivery cost, about 1 cent a pound, or $20.00 a ton. All these I consider *flat* costs of producing and delivering the publication. To this flat cost must be added the expenditures for contributing writers, for editors, proof-readers and special investigators (including travel and other expenses), stenographers, postage and stationery for a large correspondence, clerical, messenger and other administration service, rents, insurance, etc., etc. And, finally, the expenditures made in the way of commissions and premiums to work up a subscribed issue.

A monthly periodical of the size and character which Postmaster General Hitchcock has reference to—of the size and character to win its way to an issue of 650,000 copies a month—must cost its publisher not less, on an average, than 30 cents per copy, probably more. The subscribing reader pays 12½ cents per copy for it—pays directly to the publisher. The news stand buyer pays 15 cents a copy, but the publisher, after paying newsdealer and agency com-

missions on the latter sales, realizes but *8 cents per copy*. Here let us see how this publisher's circulation-cost and receipts figure out. Six hundred and fifty thousand monthly issue figures to an issue of 7,800,000 copies for the year. At 30 cents' cost of production, which is rather low than high, those copies cost the publisher to produce, to get readers for and to distribute, the annual total of $2,340,000. He realizes in return from subscription and news stand sales about as follows:

From news stand and agency sales (500,000 per month, or 6,600,000 copies a year), he realizes 8 cents per copy or. . . . $480,000

From subscribers (150,000 per month or 1,800,000 a year), at 12½ cents each 225,000

Total receipts $705,000

Thus it is clear that for an expenditure of $2,340,000 a year to produce and distribute his excellent *low-priced* periodical to readers, the publisher gets in return only $705,000, thus standing a net loss of $1,635,000 on his mechanical output—no, on his *literary and educational output*. And, mark you, that $705,000 Mr. Hitchcock must, necessarily, have included in his "gross" receipts. How, then, is the publisher able to furnish his readers such literary and educational nourishment at so great a loss on production?

There is but one answer: The advertising carried by the periodical must recoup the loss on publication and yield the publisher whatever profit he may realize. Yet Mr. Hitchcock, in the profound profundity of his knowledge of periodical publishing, figures that the advertising receipts are clear profit to the publisher. True, he does, in one of his urgent letters to Senator Penrose, I believe it is, incidentally admit a possible maximum cost or expense of "fifteen per cent" in securing and printing the advertisements. "Fifteen per cent!"

Omitting all undigestible words, I shall merely say that Mr. Hitchcock's fifteen per cent talk—about the cost of soliciting and printing advertising matter by any of our high-class periodicals shows a knowledge of the subject nearly on the level of that of a cold-storage egg.

Why, fifteen per cent of the gross receipts for advertising by any of our high-class periodicals scarcely would meet—I doubt if in any such case it does *meet*—the expenditures made for skilled "lay-

out" men and designers. Everyone knows that the advertising pages of any of our standard weekly and monthly periodicals are *art pages*. People *read* the "ads" in these periodicals. They are largely attracted to them by their artistic arrangement, typographically and in design. It takes *brains* to make that arrangement, brains of finer fiber or better trained than the cold storage variety. The service of such brains *costs money*. Who pays it? *The publisher*. And the publisher who gets the services of such brains at less than fifteen per cent of the "gross" charge for his advertising must, in these days, be a wonder in business acumen or a "pow'ful 'suadin' boss," as Rastus used to say, down on the Yazoo, years ago, when he took a job at twenty-five cents a day less than he had asked.

I say the people *read* these "ads" and, fearing I shall forget it later, I desire to interpolate here another thought: They are led to read them because of the artistic letterpress, the designing, the attractive phrasing, catchy wording, etc. They read them. *You* and *I* read them. And—well, that is my point—my thought.

The "ads" in periodicals of the class of which we are speaking cover almost every field and domain of life—of human life—of *our* lives. They tell us of the latest inventions and achievements in the mechanical and industrial world; of the latest improvements in the cultivation of the land; of the latest and best in "hen range" management and "run-way" poultry raising; of the latest achievements of Luther Burbank, or some other wizard in the domain of pomology; of kitchen and flower gardening; of how to cut down our gas bills; to make the ton of coal deliver more "duty"—more thermic B. T. U.'s—of the best new books and of bargain reprint editions of the best old ones; of where to get a cheap home, cheap acres around it and how to build and furnish a comfortable home cheaply; in fact, of an infinity of daily and hourly needs. So what is the use of my enumerating further? Every reader knows what those "ads" in our standard periodicals do for us. They enlighten, they inform, they *educate* us. And that is why we read them, and that is why we should continue to do so.

We will get back now to Mr. Hitchcock and his "wondrous ways" of figuring a publisher's profits on the advertising he prints. Postmaster General Hitchcock appears to have ignored the fact I have already pointed out—ignored the fact that the publisher's heav-

iest loss is on the printing and distribution end of his periodical, and thus is a charge against his advertising receipts.

Mr. Hitchcock, so far as I have been able to read him, furthermore ignores the important fact that advertisements are secured for a periodical largely by solicitation. Of course, the "Want," "To Rent," "For Sale" and similar small line "ads" come to newspapers largely without personal solicitation. But the display advertiser does not frantically rush to the publisher and say: "Here's my check for $500.00. Give me a page display for this line of goods." Not at all. The publisher must go after him and, not infrequently, go after him numerous times before he lands his $500.00 or $5,000.00 contract or order. To secure such advertisements the publisher employs the most skilled advertising solicitors within reach of his bank balance. Such men, if carried on his regular payroll, are among the "high-salaried" human units which make up the operating, managing and service personnel of his business. If they are not on regular salary the publisher must pay such men a liberal commission on the contracts secured, a commission seldom or never as low as 10 per cent and I have known them to range as high as 40 or 50 per cent of the gross price received on the first or initial contract, "just to show the advertiser what we can do for him," as the publisher frequently reasons.

TESTIMONY UNDER OATH.

Senate Document No. 820 presents a reply by some publishers to Mr Hitchcock's loose or reckless statements on the point under consideration. I wish to appropriate for use here some very manifestly truthful statements made in that Senate Document No. 820. I shall summarize or quote as best fits my line of presentation.

In 1909 the publishers of five standard magazines, admittedly carrying "the largest amount of advertising" among the monthly periodicals, made *a sworn statement* covering their receipts, expenditures and net profits. That sworn statement is on file in the Department of Commerce and Labor and is easily accessible to the Postmaster General if he desires to know a little something of what *the publishers know about their own business.* The publishers of the five periodicals thus making sworn statements to the government of their incomes, expenditures and profits, are the publishers of "Everybody's,"

"McClure's" "The Review of Reviews," "The Cosmopolitan" and "The American."

The named periodicals, it will be at once recognized, if not the strongest, at least are among the strongest monthly periodicals of this country. Yet these sworn statements show that Mr. Hitchcock's proposed increase of 3 cents a pound in their mailing rates would, under present conditions, *exhaust "81.8 per cent of their net profits."*

If Mr. Hitchcock's proposal, prompted, it would appear, by ulterior motives, as was recently evidenced by his *voluminous* button-holing of interested or "interests" Senators and Congressmen to put his "rider" over—no, maybe it is not really his, but *it looks like him*—for an increase on second-class matter would, if made operative, would so seriously impair the financial strength of five such *strong* periodicals as those named, what, it is the part both of duty and of honesty to ask, will become of the *scores* of smaller periodicals, especially of those periodicals which issue more than "two tons" at a mailing and which serve, inform and *educate* a reading patronage that needs them?

If Mr. Hitchcock's actions in this matter are clean and open—not "influenced"—he might not only serve himself but a good and worthy cause as well, if he would give some pointers to these smaller publishers—those between his "4,000 pounds an issue" exemptions from his four-cent rate and the stronger periodical publications, five of which are before him in sworn statement. If he would give, I say, these middle-class publishers—we may so call them for the comparison in hand, though their published matter is of the *highest class* all the time—if he would give such publishers some method or scheme to keep from the financial rocks, they, I am quite sure, would greatly appreciate it. Possibly they would put him on their free lists in perpetuity.

Mr. Hitchcock appears to be a phenomenon at "figurin' " and for the devising of methods to obliterate postoffice "deficits;" also at following the ulterior motive and its "influence," and still provide, by exemptions or otherwise, to protect the "fence-building" country newspapers,—indeed neswpapers in general, now that I read him again. Likewise he protects the farm, the religious, the scientific, the mechanical and other publications whose influence, it appears, does not *obstructively* influence the "influences" which have directed his recent action.

I do not know who wrote that Senate Document No. 820. Whoever it was, he certainly knew "a gob of things," as our splendid friend, the washerwoman, would put it, about the United States Postoffice Department, its management and its methods. I shall probably "crib" or plagiarize several times from this Senate Document No. 820, but just here I desire to quote a paragraph from it:

"Postmaster General Hitchcock's profound ignorance concerning the relation of magazine advertising to magazine profits is shown by the fact that although these magazines received in 1909, $2,463,940.39 for advertising, the aggregate of their net incomes was only $230,-734.57,—less than one-tenth of their advertising receipts."

This Document No. 820 is all good, so good that I believe I will reprint from it further and at this point:

Postmaster General Hitchcock proceeds in the first and second paragraphs on page four to cite a recent increase of advertising rates of a certain magazine, and to consider, and use in figuring, as net profits the *total amount of advertising it carries for the year.*

(It is of incidental interest, in showing the *partisan attitude* of the Postmaster General, that in calculating the total amount of advertising received by this publication, he takes the number of lines actually printed in this weekly's *richest advertising season*, ignoring the fact that in the summer this periodical is sometimes published at a loss, and makes an estimate of its advertising patronage for the whole year on the basis of what it received in the months when advertising is at its height).

But the gigantic error of the Postmaster General is in calculating the additional income from advertising for this weekly resulting from its increased advertising rate, and assuming that this increased income is all profit. This error arises from the Postmaster General's *total ignorance* of the publishing business in general; and in particular, of the fact proved above, that the magazines save only a small fraction of their aggregate advertising income as net profits after paying the expenses of production and administration.

Then the Postmaster General finds out how much money the increased rate brought the periodical and observes with an air of finality that this income was more than sufficient to meet the higher postal charges.

The facts are, of course, that to get this higher advertising rate, the "great periodical" had to publish enough more copies and additional reading matter in those copies to justify the increased rate; and that to manufacture and supply these additional subscriptions it costs magazines more than twice as much as they get from subscribers. Furthermore, the Postmaster General takes gross advertising income as net profit, apparently thinking that advertising flows into periodical offices without the asking, where, as a matter of fact, it is necessary to spend enormous sums for high-priced men to solicit advertising, for other men to lay out plans and make designs for advertisers, and for a large clerical force to handle

the advertising department. The calm way in which the Postmaster General ignores the cost of presswork and paper on which the advertising is printed, exhibits his ignorance of the fact that there is in business an expense side of the ledger as well as an income side.

If a magazine has 100,000 circulation and a fair corresponding rate for advertising and if the circulation is then increased to 200,000, the publisher has the same right and the same necessity to charge more for the doubled circulation that a grocer has to charge more for two pounds of tea than for one pound. But what possible relation has this to the fact that postage rates have remained stationary? *The postoffice gives no more service than it did before magazine circulations and advertising increased*—in fact it gives less, as it now requires the big magazines to separate and tag for distribution, and, in many cases, deliver to the trains, *a vast quantity of magazine mail, formerly handled entirely by the postoffice.*

I wonder if Mr. Hitchcock ever read "Job Jobson, Nos. 1, 2 and 3." If he has not there is something due him which he ought to take immediate steps to collect. "Job Jobson" in three little pamphlets tells *more* than either Mr. Hitchcock or myself will ever be able to learn about second-class mail carriage and handling—unless, of course, we read those three booklets of Job Jobson.

Why are Job Jobson's three booklets so important? A very pertinent question, indeed, at this stage of our consideration. Job Jobson's three booklets are toweringly important inasmuch as they were written by Wilmer Atkinson, publisher of the Farm Journal of Philadelphia, one of the most successful as well as the most *useful* farm periodicals the world has ever produced.

More than that, Mr. Atkinson has so long and so thoroughly studied this second-class mail rate question that both Mr. Hitchcock and myself would have to take our places in the kindergarten class where he is tutor.

I haven't those three "Job Jobson's" by me. I have thumbed two of them out of existence, but from the one I have I desire to quote a couple of paragraphs which I hope it will do Mr. Hitchcock as much good to read as it does me to re-read. Here they are in all their vigor:

> Publishers, one and all, should take their stand upon the immutable principle that newspaper circulation is not a crime, and it is not a fault, that neither a law on the statute books, much less arbitrary power outside the law, should ever be invoked to curtail the liberty and independence of the press, which are a sacred inheritance from the fathers; or to cripple newspaper enterprises or bankrupt those engaged in this noble calling.
>
> That to send their papers into the very confines of the republic, into every

home, however rich, however humble, to brighten and to bless, is a great and beneficent work, worthy of all praise and all honor—worthy of the nurturing care, rather than the antagonism of government.

And that was written only a few years ago—written *true to the facts*. I desire here to quote a couple more paragraphs. They have been published generally throughout the country and universally indorsed. They are written by the Hon. Woodrow Wilson, Governor of New Jersey:

A tax upon the business of the more widely circulated magazines and periodicals would be a tax upon their means of living and performing their functions. They obtain their circulation by their direct appeal to the popular thought. Their circulation attracts advertisers. Their advertisements enable them to pay their writers and to enlarge their enterprise and influence.

This proposed new postal rate would be a direct tax, and a very serious one, upon the formation and expression of opinion—its most deliberate formation and expression—just at a time when opinion is concerning itself most actively and effectively with the deepest problems of our politics and our social life. To make such a change, whatever its intentions in the minds of those who proposed it, would be to attack and embarrass the free processes of opinion.

CHAPTER IV.

BUREAUCRATIC POWERS SOUGHT.

I have before me the Postmaster General's report for 1910. It presents a large amount of information both in statistical tabulation and in "straight matter." A portion of the former, however, leaves the average lay mind rambling around in circles, wondering what in the name of all that is lofty it was compiled for, what service value it can possibly have and what was the ailment from which the fellow who compiled it suffered; that is, was his a case merely of bad liver or indigestion, or a serious case of ingrown intellect, struggling to help his fellowmen know how real dizzy and foolish tabulated figures can be made to appear?

Mr. Hitchcock in this 1910 report has separated himself from some striking oddities, about as serviceably valuable as a smoking compartment would be to a laundry wagon. Of course, it may be that Mr. Hitchcock did not write the division of this report signed by him. Some talented secretary, clerk or assistant may have cranked it up. However that may be, do not let what I here say deter you from looking through this 1910 report should it come your way. It contains a variety of excellent things, some valuable information, well collated and intelligibly presented. The foolishness and fooleries in it are—well, they are of the kind common to all, or at least most, departmental reports, federal, state, county and city. Much of the tabulated "statistics" in each can have no possible service value either in this world or the next—even assuming that statistics and statisticians will be recognized at all in that division of the "next" to which we all aspire.

As to the "straight matter" in these departmental reports, one often finds in it some most excellent suggestions, as is certainly the case with Mr. Hitchcock's 1910 production. One also finds a lot of other suggestions and space-written stuff that would make a totem laugh—that is, of course, presuming a totem could laugh and had advanced as far as the third grammar school grade in reading.

And the "literary style" of these official reports; so aerial in elevation, so officially dignified in "tone," so profusely profound or

profoundly profuse in elaboration and detail, and often so *trivial* in significance or import!

If they were still with us, the "literary" standard of most of these departmental reports would make Bertha M. Clay hug the rail and E. P. Roe carry weight. But, of course, one must not look for nor expect literary exaltedness in a departmental report. It should, however, tell us—*we people*—a good many things we wish to know, in fact, *ought* to know. It should not give us too much talk merely to show us how much—or how little—some chief or assistant knows. If you get the opportunity, read the Postmaster General's 1910 report, and you will find many things in it that will jar you loose from your expectations, but do not be alarmed at that. Just keep in mind the fact that you can come as near reciting the Rubaiyat backwards as can Postmaster General Hitchcock, and that you at least know Old Mother Hubbard "by heart" as well as he knows it.

The point I am trying to make—to emphasize—is that Mr. Hitchcock's 1910 report presents much valuable information for you and me. So you should not allow its follies to scare you off. For instance, the Postmaster General's fifty notations of "Improvements in Organization and Methods." Why he should stop at a round fifty I do not know. I believe he could easily have added twenty or thirty more *of kind.* Some of these "improvements" are most excellent; some of them are so assumedly conclusive on matters previously—for years—in doubt and controversy as to touch off the risibles in any man who has made anything like a careful study of conditions governing the Postoffice Department. For instance, his "Improvement" numbered 10 reads:

"The successful completion of an *inquiry* into the cost of handling and transporting mail of the several classes and of conducting the money order, registry and special delivery services."

We can *hope* that the aforesaid "inquiry" was so carefully and comprehensively conducted as to entitle it to be classed as "successful" as Mr. Hitchcock's statement is assertive. However, just how far we may prudently indulge such hope is a matter for grave consideration. The Postmaster General's Third Assistant, James J. Britt, attempts to tell us (pp. 328-329, 1910 report), all about it. Mr. Britt will be referred to later.

Again: Mr. Hitchcock in his No. 11 "Improvement," reports

"the successful prosecution of an inquiry into the cost *to the railroad companies* of carrying the mails, the result of which will form a *reliable basis* for fixing rates of pay for railroad mail transportation."

Now, if Mr. Hitchcock has really and truly so conducted an "inquiry" as to ascertain a "*reliable basis*" of pay for the mail haulage service rendered by the railroads—"a reliable basis" that can be built upon, acted upon and *enforced*—if he has done that, then he deserves a niche in the Hall of Fame. But here, again, I am doubtful. Did you take Britt's word for it, Mr. Hitchcock, or did you steer the "inquiry" yourself? The only point of interest to us of the commonalty involved in your eleventh improvement is: Can you, or any other Postmaster General, compel or persuade the railroads to carry the mail at a reasonable rate? Will such rate be based upon that "reliable basis" you say you have ascertained?

Grant us but that and we shall ask no more nor will you have any "deficits" to worry about. I know you explain quite fully (pp. 18-20), as to how you went about it, how Congress made appropriation for a force of "temporary clerks" to tabulate the information, the data which your "successful" inquiry brought to the surface. Still, knowing something about the *devious* peculiarities of the railways in the past—say, back to the Wolcott investigation (at this moment I forget the year when this was made and have neither the time nor the opportunity to climb down and look it up)—unless the railways have had a rush of honesty and conscience into their reports, accounts and *practices*, I am gravely *doubtful* as to the dependability of the data your "inquiry" uncovered. Of course, if you went after them, backed by a court order calling for a showdown, Mr. Hitchcock, you may have arrived somewhere in the vicinity of the facts. Otherwise—well, you got about what other *inquirers* got—*got what the railways wanted you to know.*

I shall make no further specific reference to the fifty improvements the Postmaster General claims to have covered into operative effectiveness. It is due, however, that I say, in this connection, that the majority of those named in the report are sound, sane and *serviceably* economic. It is also due from me to say that I personally know that Mr. Hitchcock has already made a number of them effectively operative in his department and to the betterment of its service. My

contention with the Postmaster General is chiefly concerning three points, viz.:

First—His manifest intent to throw the burden of his departmental deficit upon a few *independent* periodicals which, by reason of their independence, have indulged the proclivity or practice of *telling the truth about corporate, vested and other favored interests, and about corrupt officials—city, county, state, national, executive, legislative and juridic.*

Second—His colossally unjust and unfair way of figuring his "deficit" against such periodicals. Maybe it was Britt, Third Assistant Postmaster General, or some other "pied" subordinate who did the figuring. I do not know. However, in common with other citizens, I hold Mr. Hitchcock responsible for those figures, as we are fully warranted in doing by reason of his official position.

Third—Mr. Hitchcock, it appears, in his reports and letters, gives us a lot of talk that is *twisted*, "pretzel talk," someone has aptly called it. This "night-crawler" talk quite naturally—legitimately, if not naturally—leaves thoughtful people to wonder what he wants, *what he is after*, what interest or interests he is trying to subserve and what "influences" have *influenced* him to go after certain periodicals in so *bald and crude a way.*

Still, that does not altogether fully express my third objection to Mr. Hitchcock and his methods. His letters and special reports in support of the absurd claim that the transportation and handling of second-class mail matter costs 9.23 cents per pound, a figure above or equal to that which will carry gold or currency bills *by express* for the average mail haul, furnish valid grounds for doubt as to the good faith of his intent, to suspicion an *ulterior motive* back of his action and writings. To this I do not hesitate to say that his 1910 report, I mean his own personally signed section of it, is offensively *bureaucratic.* Mr. Hitchcock, it appears from his own recommendations, would have his bureau or department bigger than Congress. He wants powers and authority centered in it which Congress *should not delegate, which Congress has no rightful powers nor authority to delegate.*

Now, do not misapprehend me. Maybe Mr. Hitchcock has not done all this on his own initiative. He may have acted wholly on a long-distance or a central direction from the main stem. I shall,

however, proceed to support my accusation that Mr. Hitchcock evidences in his 1910 report a desire—a tendency, if not a desire,—to make the Postmaster General not only a censor of periodical literature (as indicated in the wording of that "rider" amendment printed on a previous page), but to have delegated to him powers over the mail service which not only contravene the basic principles of a democratic form of government, but which, also, tend to establish a bureaucracy that, if carried to its full flower, will, necessarily *abrogate our form of government itself*.

Here let us note Mr. Hitchcock's recommended legislation. In the report before me he makes thirty-six recommendations. In each of these which grants added powers or authority touching any matter, the wording of the suggested legislation gives such added powers and authority to the *Postmaster General.* In certain minor matters, especially such as relate only to departmental methods of handling its service accounts, etc., such grant of power is entirely proper. Among Mr. Hitchcock's recommendations are several of such character, and, so far as I have studied them, they appear sound, and consequently their passage by Congress and their application to the department would, in my judgment, effect material savings or betterments in the service.

In a number of other instances, however, Mr. Hitchcock asks legislation that will grant him (or any succeeding head of the federal Postoffice Department), powers and authority which *should be granted to no bureau or departmental division of our government service.* I mean that the acquirement of such legislative powers and authority by bureaus (cabinet service divisions), is inimical to the basic principles of our government; in fact, it is a *stealthy* move to establish in this country the bureaucratic form of government which has proved a curse in every existing monarchical government, causing their peoples to rebel against them, or constantly a condition of unrest under the system—a condition which indicates either *enforced* submission to governmental wrongs and impositions or a dwarfed and submerged manhood, "begging for leave to live" and devoting most of its thought to a few questions, such as: "Why did I arrive? What am I here for? I work, why does the government take most of my earnings? Why does the government and its bureau heads live, live in luxury, while I and my wife and children merely exist,—barely subsist? *Why are*

hundreds of millions taken every year from people who need it to secure the common comforts of life, and given, unearned, to those who need it not at all?"

It would require pages even to print the inquiries which the victims of bureaucratic governments ask themselves daily, ask themselves daily so long as they *exist above the level of the clod*, above the level which Edward Markham so forcefully and eloquently depicts in his "Man with the Hoe."

The point I desire to emphasize is that when the great body of people in any country—its "citizens"—begin to ask themselves such questions, *their patriotism begins to dry-rot and die*, and when the patriotism of a nation's people begins to die, that nation is on the farther slope of its existence; it has started on the decline, more or less sharp, *which ends in rebellion*, dissolution, extinction. This is the uniform lesson of history. He who reads it not so reads either not carefully or not comprehendingly.

To a few of my readers the foregoing may appear to be a digression from my subject. It is not intended as such. It is intended to call the reader's attention to some powers and authority Mr. Hitchcock seeks in his recommended legislation, *legislation which should not be enacted.* Let us look at a few of those recommendations. If space permitted, I would take pleasure in commenting on several more of them.

On page 10 of his report, Mr. Hitchcock repeats a recommendation of his 1909 report. He repeats it "earnestly." He also expresses the opinion that *"as soon as the postal savings system is thoroughly organized*, the Postoffice Department should be prepared to establish throughout the country a general parcels post." As a "preliminary step" to such establishment of a parcels post Mr. Hitchcock seeks authority from Congress to initiate a "limited parcels post service on rural routes." On page 26 of his report, Mr. Hitchcock suggests the *substantials* of the legislation he believes necessary to enable him to establish his contemplated "limited parcels post service on rural routes," *as an experimental test.*

As evidence that he wants the power and authority to make this "experiment" on his own lines and judgment and pursuant of his *own purposes* I shall here quote the form of his advised legislation. To anyone who has made study of parcels post service it is needless to say

that among the civilized nations of the earth the United States is so far in arrears in such service as to be generally recognized as an international joke. It is quite needless to say to such that Mr. Hitchcock's prattle of a "limited" parcels post and of trying it on certain *selected* rural routes (with no privileges of service beyond the geographical limits of such routes), as an "experiment," is more than a mere joke.

Informed people know that any such restricted test of a parcels post service *is no test at all.* Informed men also know that our Federal Postoffice Department needs make no "experiments" on the parcels post service, "limited" or other. Every other civilized nation, and even provinces such as Canada, Australia, New Zealand and others, have made the "experiments," likewise the successful demonstrations. The experiments of these other nations and provinces, as well as the results of them, are ours for the asking. Not alone that, but informed men *know, and know positively,* that our Federal Postoffice Department is in possession of—*or was in possession of*—all this information gathered from the experiences and trials and tests of a parcels post service in these other countries.

So, I repeat that Mr. Hitchcock's talk about making an experimental test of the general value of a parcels post service by putting it in operation on a few *selected* rural routes is a joke, *or else it is an evasion in order to delay the installation of a service which every citizen wants,* save, of course, the few individuals who now own and control our railroads, *which individuals also own,* to a controlling extent at least, *our express companies.*

But I must quote Mr. Hitchcock's advised legislation in order to show the reader that Mr. Hitchcock desires that the resulting powers and authority center in him, or in his successors:

In order that the recommendation on page 10 of this report for the introduction of a limited parcels post service on rural routes may be promptly carried into effect, it is suggested that legislation substantially as follows be enacted:

For one year, beginning April 1, 1911, the *Postmaster General may, under such regulations as he shall prescribe,* authorize postmasters and carriers on such rural routes *as he shall select* to accept for delivery by carrier on the route on which mailed or on any other route starting at the postoffice, branch postoffice or station which is the distributing point for that route, or for delivery through any postoffice, branch postoffice, or station on any of the said routes, *at such rates of postage as he shall determine,* packages not exceeding 11 pounds in weight con-

taining no mail matter of the first class and no matter that is declared by law to be unmailable, and he shall report to Congress at its next session the results of this experiment. (Page 26, 1910 Report.)

The italics are mine. They make all the comment that is necessary in proof of my charge that Mr. Hitchcock seeks powers and authority which should not be delegated to any bureau head.

As a companion piece to the foregoing Mr. Hitchcock asks the following legislation—legislation which, if granted or enacted, must look to any man who has given even a cursory study to the subject of parcels post service, as merely a "stall," a bit of dilatory play to delay effective and efficient action to install a serviceable parcels post *until the express company interests pull down two or three hundred millions more of unearned profits.*

Following is the companion piece of the last preceding quotation. The italics are mine and make the only comment that is necessary:

As suggested on page 10 of this report, an investigation should be authorized as to the conditions under which the transportation of merchandise by mail may be wisely extended. For this purpose it is recommended that legislation substantially as follows be enacted:

The Postmaster General is hereby directed to ascertain by such investigation or experiment as is found necessary, and to report to Congress at its next regular session, the lowest rates of postage at which the Postoffice Department can carry by mail, without loss, parcels not exceeding 11 pounds in weight; and he is hereby authorized to place in effect for one year, beginning April 1, 1911, *at such postoffices as he shall select for experimental purposes*, such rates of postage on fourth-class matter *as he deems expedient;* and the sum of $100,000 is hereby appropriated to cover any expenses incurred hereunder, including compensation of temporary employees and rental of quarters in Washington, D. C. (Page 26, 1910 Report.)

We will here drop the subject of parcels post for the time. In a later section of this volume I shall discuss the subject—largely aside from Mr. Hitchcock's attempts, as has been authoritatively reported to me, to delay if not to block its successful installation.

I will make a few more quotations in evidence of Mr. Hitchcock's desire to acquire bureaucratic powers:

To provide for a postal note in accordance with the plan outlined on pages 10 and 11 it is recommended that legislation substantially as follows be enacted:

The Postmaster General may authorize postmasters at such offices *as he shall designate*, under such regulations as *he shall prescribe*, to issue and pay money orders of fixed denominations not exceeding ten dollars, to be known as postal notes.

SEC. 2. Postal notes shall be valid for six calendar months from the last day

of the month of their issue, but thereafter may be paid under such regulations *as the Postmaster General may prescribe.*

SEC. 3. Postal notes shall not be negotiable or transferable through indorsement.

SEC. 4. If a postal note has been once paid, to whomsoever paid, the United States shall not be liable for any further claim for the amount thereof. (Page 29, 1910 Report.)

Let us next look at a peculiar, "an unusual," request for legislation granting authority to the Postmaster General to do a most "unusual" thing, the granting of salaries higher than $1,200 a year to clerks and carriers, who are paid under the present law $600 a year, whenever the postmaster "certifies to the department" that "unusual" conditions in his community prevent him from securing efficient help. The italics are my own and make comment unnecessary:

In last year's report, attention was directed to the desirability of authorizing the appointment of clerks and carriers at higher salaries than $600 at offices where unusual conditions prevail. Congress added to the appropriation for unusual conditions a proviso that may have been intended to meet the recommendation of the department, but subsequent experience has shown that it fails to do so. The proviso referred to has effected so great a reduction in the amount available for salaries of employees at offices where conditions are unusual that the service at a number of such offices cannot be maintained after the close of the present calendar year, unless additional funds are provided by Congress. The same law placed a restriction on the maximum salary allowable, making it impossible for the department to meet satisfactorily the unusual conditions existing in certain parts of the country. In order that the needed relief may be afforded legislation substantially as follows should be enacted:

Whenever a postmaster certifies to the department that, owing to unusual conditions in his community, he is unable to secure the services of efficient employees at the initial salary provided for postoffice clerks and letter carriers, *the Postmaster General may authorize, in his discretion,* the appointment of clerks and letter carriers for that office at such higher rates of compensation within the grades prescribed by law as may be necessary in order to insure a proper conduct of the postal business, and their salaries shall be paid out of the regular appropriation for compensation of clerks and letter carriers: *Provided,* That whenever such action is necessary in order to maintain adequate service at any postoffice where conditions are unusual *the Postmaster General may authorize the appointment of clerks and letter carriers at salaries higher than* $1,200, their salaries to be paid out of the appropriation for unusual conditions at postoffices. (Page 30, 1910 Report.)

I wonder what our Posmaster General is after in asking *re-enactment* of legislation of this sort, legislation granting him *censorial powers* without so much as *intimating* that fact. Maybe some of you

organized labor men, or mercantile tradesmen can tell me. I am listening. *So are others.*

By the act approved May 27, 1908, making appropriations for the service of the Postoffice Department, it was provided:

That Section 3893 of the Revised Statutes of the United States be amended by adding thereto the following: And the term "indecent" within the intendment of this section shall include *matter of a character tending to incite arson, murder, or assassination.*

The enactment of this statute accomplished beneficial results, and it does not appear that injustice or undue hardship resulted therefrom to any person or interest. However, the provision quoted was not retained in the penal code adopted March 4, 1909, and became void when the code went into effect on January 1, 1910. On the assumption that the omission was inadvertent, it is recommended that the provision be re-enacted. (Page 37, 1910 Report.)

Following is one more reach by Mr. Hitchcock for bureaucratic power which should *not* be granted:

By virtue of his office the Postmaster General has the power to conclude money-order conventions with foreign countries and to prescribe the fees to be charged for the issue of international money orders. In like manner he should be empowered to determine, from time to time, as conditions may warrant, the fees to be charged for the issue of domestic money orders. It is recommended, therefore, that Section 2 of the act of January 27, 1894, be repealed, and that as a substitute therefor legislation substantially as follows be enacted:

Section 2 of the act of January 27, 1894, entitled "An act to improve the method of accounting in the Postoffice Department and for other purposes," is hereby repealed. A domestic money order shall not be issued for more than one hundred dollars, and the fees to be charged for the issue of such orders *shall be determined, from time to time, by the Postmaster General: Provided, however,* that the scale of fees prescribed in said Section 2 shall remain in force for three months from the last day of the month in which this act is approved. (Page 38, 1910 Report.)

I have probably quoted sufficient to show that Postmaster General Hitchcock is *reaching* for power and authority *which should not be delegated to any bureau or cabinet head.* The last statement is made, of course, in the confident belief that the reader joins me in the desire and *confident* hope that the basic principles of our government will be neither superseded nor abrogated by legislative grants of bureaucratic power and authority, which power and authority once granted is *seldom or never recovered to a people without sanguinary action on their part,* with all the waste of effort, vitality, money and human life usually a concomitant of such action.

There are several more of Postmaster General Hitchcock's

legislative recommendations I would like to quote, did space permit, but there is one other which I will quote, because it wears a sort of humoresque drapery when taken in connection with that "rider" Mr. Hitchcock so industriously tried to put through the necessary three-ring stunts required in the senatorial circus; also when taken in connection with a little, not separately stitched, *brochure* which Mr. Hitchcock turns loose on pages 7 and 8 of his most excellent, *though ulteriorly tutoring, report.*

On pages 7 and 8 the Postmaster General tells us, as best he can, under *influenced and influencing conditions,* the why and wherefore for his attempt to load his department deficit onto a few periodicals which he, likewise certain of his "influencers" possibly, does not like. Well, I want my readers to *read* this bit of official effort, *in a wrong cause.* I want them to read it in the *raw,* with no spring papering or decorating on it.

As has been my practice in quoting, I shall take occasion to italicize a little. But that will not cut any four-leaf clovers this early in the season. I italicize merely to call the reader's attention to the elegant *assertiveness* of Mr. Hitchcock's "style" and to his *planned* determination to "put it over" on those pestiferous periodicals—weekly and monthly—in spite of *constitutional prohibitions,* Senate rules or publishers' opposition.

Stay! I have another reason for italicizing. I want the reader to read those italicized phrasings of Mr. Hitchcock's unstitched *brochure* a *second* time, and to read them more carefully the *second* time than he did the first. If the reader will kindly do this we will be better acquainted, also be mutually better acquainted with Mr. Hitchcock and his dominating purpose, whether *ulterior* or other, in attacking a special class or division of periodical publications in order to recoup a deficit *created wholly by the rural delivery service and by the free* (franked and penalty), *service rendered by his department.* We will first quote his little second-class *brochure* and follow it with his humoresque legislative recommendation:

In the last annual report of the department special attention was directed to the *enormous loss the government sustains* in the handling and transportation of second-class mail. Owing to the rapid increase in the volume of such mail *the loss is constantly growing.* A remedy should be promptly applied *by charging more postage.* In providing for the higher rates it is believed that *a distinction should be made* between advertising matter and what is termed *legitimate reading*

matter. Under present conditions an increase in the postage on reading matter is not recommended. Such an increase would place a special burden on a large number of second-class publications, including *educational and religious periodicals*, that derive little or no profit from advertising. It is the circulation of this type of publications, which *aid so effectively in the educational and moral advancement of the people, that the government can best afford to encourage.* For these publications, and also for any other *legitimate reading matter in periodical form*, the department favors a continuation of the present low postage rate of 1 cent a pound, and recommends that the proposed increase in rate be applied only *to magazine advertising matter*. This plan would be in full accord with the statute governing second-class mail, *a law that never justified the inclusion under the second-class rates of the vast amounts of advertising now transported by the government at a tremendous loss.*

Newspapers are not included in the plan for a higher rate on advertising matter because, *being chiefly of local distribution*, they do not burden the mails to any such extent as the widely circulating magazines.

Under the system proposed it will be possible, without increasing the expenditure of public funds, to utilize *for the benefit of the entire people* that considerable portion of the postal revenues now expended to *meet the cost of a special privilege* enjoyed by certain publishers.

In view of the vanishing postal deficit it is believed that if the magazines could be required to pay what it costs the government to carry their advertising pages, *the department's revenues would eventually grow large enough to warrant 1-cent postage on first class mail.* Experiments made by the department show that the relative weights of the advertising matter and the *legitimate reading matter in magazines* can be readily determined, making it quite feasible to put into successful operation the plan outlined. Under that plan each magazine publisher will be required to certify to the local postmaster, in accordance with regulations *to be prescribed by the department*, the facts necessary to determine the proper postage charges. The method of procedure will be worked out in such manner as to insure the dispatching of the mails as expeditiously as at present. (Pages 7 and 8, 1910 Report.)

That sort of a literary hand-out may be all right for certain of our citizens transplanted from south European environment, likewise from malnutrition and inanition, by the ship load to this country, where most of them expected to find $1.50 or $2.00 per day growing on vines or low bushes—and found it, in most cases, too.

But to the home-grown American citizen, "His Majesty," such departmental literature is a noise something like a "chuck" steak makes when his hunger suggests a "porter house" and he is without the price. That is "His Majesty" who *earns* what he acquires and *pays* for what he gets and who does not take on an over-load of the sort of official talk Mr. Hitchcock ships him in packages similar to the above.

Our home-grown American citizens like to have their officials say something that *means* something. They do not want any literary ham-and's served to them at four prices, they knowing where to obtain them at first cost.

I intended to make further comment on the foregoing—or gone—quotation from our Postmaster General. I shall, however, deny myself that pleasure, confidently believing that my italization of certain of its phrasings and statements is sufficient comment for the reader who is following me in this effort to peel the varnish and frescoe from a *planned* bad cause.

The reader who has followed me thus far and has not discovered that I am writing *against* the men who are, I believe, trying *to set the brakes on legislation in order to serve some* "good interest" which pays them a thousand or more for each of the twelve annual connections with the cashier or "deposit certificates"—the reader who, I say, has followed me thus far and failed to discover that fact should quit right here. It will not cure him to read the rest of what I shall say. It is to be worse than what I have previously said; in fact, it is going to be some distance beyond "the limit." My advice to any "frail" reader, therefore, is to quit right at this point and give his brain a rest until he is able to "come back" *and learn something.*

We will now take a look at the humoresque "throw" of our Postmaster General for legislative action. To fully appreciate it, the reader must bear in mind that Mr. Hitchcock's division of his 1910 report is of date, December 1st, 1910, and signed by himself. The reader should furthermore bear in mind that Mr. Hitchcock had previously reported—and more frequently *asserted*—that the transportation and handling of second-class mail cost the government 9.23 cents per pound. The reader should, in this instance, likewise take into his judgmental grinder the fact that Mr. Hitchcock, in the quotation which follows, is *trying to put up another hurdle for the magazines and other periodicals to jump;* that is, for *such of them as he may not like,* to jump.

This recommendation for *legislative authority* is intended to cut out the sample copy privilege of periodicals, a privilege which the government should *encourage rather than discourage:*

> In order to discontinue the privilege of mailing sample copies at the cent-a-pound rate, legislation in substantially the following form is suggested:

That so much of the act approved March 3, 1885 (23 Stat., 387), as relates to publications of the second class be amended to read as follows:

"That hereafter all publications of the second-class, except as provided by Section 25 of the act of March 3, 1879 (20 Stat., 361), when sent to subscribers by the publishers thereof and from the known offices of publication, or when sent from news agents to subscribers thereto or to other news agents for the purpose of sale, shall be entitled to transmission through the mails at one cent a pound or fraction thereof, such postage to be prepaid as now provided by law."

While I have not the act of 1885 at hand, I am aware that it permits what the Postmaster General asks for, *a 1-cent per pound rate* for periodicals admissible under the acts of 1879 and 1885. Mr. Hitchcock asks for this legislation, a-cent per pound rate, December 1st, 1910.

Before that date and since he has repeatedly asserted, both in print and *"interview,"* that second-class mail *costs the government 9.23 cents per* pound to transport and handle. Do you see the *equivocating* "ulterior" in this bit of recommended legislation? If you do not, just go into the back yard and kick yourself until you awaken to the fact and then come back and read Mr. Britt's statement, page 328 of the 1910 report. Britt is Third Assistant Postmaster General and knows—well, he knows so much that he has to *space-write* in order to fill in about sixty pages of this 1910 report. But, as I have to take notice of Mr. Britt's *furnished* data later, I shall give him no more attention at this point.

I believe that I have either furnished the evidence to prove the purpose, *the ulterior purpose,* of Postmaster General Hitchcock, or of his *influences,* to punish certain periodicals, *to penalize them for telling the truth,* likewise to acquire bureaucratic powers to give his department the right of censorship over our periodical literature; not only that, but to have the successful introduction of a parcels post *dependent on conditions of his own choosing.*

CHAPTER V.

THE PENROSE-OVERSTREET COMMISSION.

Next we will again take notice of Postmaster General Hitchcock's peculiar figures. I do not know where he learned how to do it, but his "figerin' " has any expert accountant on the mat taking the count. He is certainly a "phenom"—or his Third Assistant, Mr. Britt, or other aid, is the "phenom." At any rate the figures Mr. Hitchcock and his third "assist" are wonderfully, likewise *mysteriously*, worked into a little third-grade problem which makes it look like a proposition in trigonometry or fluxions.

It's too complicated for me. I never had the advantage of hulling beans in Massacheusetts. My cornfield arithmetic was all acquired in Illinois. So, instead of permitting myself to become enmeshed in Mr. Hitchcock's figures, I shall resort to my frequently used tactics. I shall quote.

I have before me several analyses of Mr. Hitchcock's peculiar application of the "double-rule-of-three," as the schoolmaster used to call it down in that little school house at the cross roads in District 6, Town. 17, R. 3 E. The schoolmaster used to divide his time between " 'rithmetic " and lamming. I graduated with honors in the latter. 'Rithmetic never seemed to take kindly to me—save to push me along in the lamming course. But——

Well, that is sufficient explanation to the reader to give broad, likewise legitimate, grounds for excusing me if I dodge, or try to dodge, Mr. Hitchcock and his Third Assistant when they get down to "figerin'."

Candidly I am at a loss to know why young men of their physical robustness and their abnormal—yes, phenomenal—super-excellence in the matter of figuring things out, should be frittering away their time on a loafing job with the government. They ought to be holding down the chairs of Mathematics and of Expert Accounting at Onion Run University, or at some other advanced institution of learning.

But, as previously intimated, I am going to quote—am going to let someone else into the maelstrom of official figures.

I would not, however, have the reader think for a minute that I

lacked the courage to take the plunge myself. Not at all. I know my limitations. Mr. Hitchcock is not only a graduate of Harvard, but he is a graduate of *two* Republican party campaign committees. I'd be perfectly willing to take chances against Harvard in any game of figuring, but when it comes to sitting into the game with a graduate in two courses of party campaign figuring, one as Secretary and the other as Manager of the National Republican Committee,—well, when it comes to that, I believe the reader will excuse me if I push some more expert arithmeticians to the front.

I will first quote from the 1907 Joint Commission which investigated costs of second-class mail haulage and handling, and then I will quote the publishers whose figures Senator Owen so pertinently presented in connection with his remarks when speaking in opposition to the rider, February 25, 1911.

Being perfectly familiar with the proceedings of the Senate Committee on Postoffices and Postroads, he must, necessarily, have learned something from the publishers who came with the open, frank —yes, certified—information as to their business. Likewise, he must have got fairly well acquainted with Mr. Hitchcock and also have learned something of his *promotive* methods of figuring.

I have, as yet, not had the pleasure—the honor—of meeting Senator Owen or his strong, clean minded, clean acting colleague, Senator Gore, but I like them.

Why?

Because they stand on the floor of the Senate and fight—fight for what is right.

Now that I have a copy before me, I will proceed to quote from that report made by the 1907 commission—a commission which dug up more information regarding the haulage and handling of second-class mail matter than Mr. Hitchcock could possibly have gathered in two years as head of the Postoffice Department. The commission was composed of Senators Penrose, Carter and Clay and Congressmen Overstreet, Moon and Gardner, men far better informed as to federal postal affairs than is Postmaster General Hitchcock.

This commission was authorized by Congress to make inquiry regarding second-class mail matter. The reader may remember that I made reference to this report on a previous page. It presents much information and collated data, which, if Mr. Hitchcock had studiously

read would have enabled him to avoid many of the egregious blunders he has made at frequent intervals during the past two years when discussing the subject. It would, at any rate, have prudently curbed or restrained what appears in Mr. Hitchcock to be a native or acquired tendence to volume or tonnage in talk when he is speaking of second-class mail matters or of the publication and distribution of periodical literature. I do not concur in a number of the conclusions of this commission as presented in its report, but no fair-minded man can read that report without being convinced that the commissioners delved into the subjects of the classification of second-class mail matter and the cost, to the government, of its haulage and handling most earnestly; also as thoroughly and as deeply as the *lack of organization in the Postoffice Department and its antiquated, careless and inaccurate accounting* left it possible for anyone to go.

This commission began its sessions in New York, October 1, 1906. It sent advance notice to all the organizations of publishers in the country, to publishers not in organization, to editorial associations, to boards of trade, mercantile, commercial and trades associations and to other individuals and organizations that might be interested, directly or indirectly, in the subject matter to be investigated. It invited them to present their views, complaints, objections and suggestions in writing and also to send representatives to present their views and their grievances, if any, to the commission in person. The notice and invitation of the commission met with a large response from the newspapers and other periodical publishers, also from other individuals and associations interested in the distribution of periodical literature by reason of the commercial, educational, religious, fraternal, scientific or other benefits such literature conveyed to the people.

At the suggestion of this commission, the Postoffice Department prepared and delivered to it "an elaborate statement with exhibits" to show the "defects of the existing statute as developed in *actual operation.*" Also, the then Postmaster General, Mr. George B. Cortelyou, his Second Assistant, Mr. W. S. Shallenberger, and his Third Assistant, Mr. Edwin C. Madden, prepared and presented personal statements to the commission.

Now some readers may wonder why I so particularly present the work done by this commission for their consideration at this point in my discussion of the general subject we have under consideration. In

view of my previous statement, to the effect that I do not agree with some of the conclusions of this "Penrose-Overstreet Commission" some reader may wonder why I make reference to it at all. Well, there are several reasons why I do so and do it just at this point in the consideration of our general subject. Among those reasons are, briefly stated, the following:

The inquiry and investigation of this commission were broad, comprehensive and thorough.

Its report presents many arguments, recommendations and conclusions which must appeal to any man who is fairly well informed as to our federal postal service, as sound and sensible, however widely he may differ from the commission's conclusions on some other points covered in its report.

Some readers who have seen and read the Penrose-Overstreet Commission's report may possibly have concluded that it presents *all* the information collected and collated by the commission. The reader so concluding would, almost necessarily, think the information it presents insufficient, both in subject matter and in detail, to be as helpful to the Postmaster General as, on a previous page, I have asserted the work of this commission would be to Mr. Hitchcock, or would have been had he taken the trouble to consult the voluminous but carefully collated data gathered by the 1906-7 commission and on file in his department.

I will here quote a few lines from the report of the Penrose-Overstreet Commission in proof of the fact that its inquiry, investigations and work provided Postmaster General Hitchcock, had he but taken the time to consult it, a store of information vastly greater than that presented in its brief official report of sixty-three pages.

Read the following and you will readily understand why Representative Moon, on March 3, 1911, so strenuously objected to the appointment of another second-class mail commission and to spending $50,000 more of the people's money to investigate a matter already thoroughly and comprehensively investigated and to collect and collate data *which is already on file in the Post-office Department.* The quotation is from page 6 of the commission's report. The italics are the writer's:

In accordance with this plan, (outlined in immediately preceding paragraphs), which operated to economize the time as well of the commission as of

those appearing before it, *a great volume of evidence was presented upon all aspects of the question* from the standpoint *both of the postal service and of the publications involved*

* * * * * * * * * * * * * *

The testimony taken by the commission at these hearings, with statements submitted in writing by publishers not orally heard, boards of trade, and the like, and other data collected by the commission in the course of its investigations, *together with a complete digest of such testimony, are embodied in the record of its proceedings submitted with this report.*

To the end of getting our corner stakes properly located in order to run our lot-lines correctly, I desire to quote further from the report of this 1906-7 commission. It says some pertinent things and *says them hard.* Before quoting, however, I desire to amplify a little on the character of that commission, on the general character of the men composing it as indicated in their official and public action.

The first point of interest for us commoners to note and appreciate is that the photographs of none of them, so far as I have been able to learn, have appeared in the rogues' gallery. We may therefore presume that they are not only intelligent but "square" men—men worthy of Mr. Hitchcock's consideration and respect as well as our own.

The second point worthy of note in considering the personnel of that commission is that none of them, so far as public reports show, ever had the advantages and opportunities of acquiring that peculiar and specialized knowledge of federal postal affairs, second-class or other, which may accrue to men from a postgraduate course in national party management.

In this connection, however, it may be said that some members of the commission may have come *near* to such unusual opportunities as just mentioned for acquiring expert knowledge of the classification, transportation and handling of second-class mail.

It is also fitting for me to say in speaking of the gentlemen composing that 1906-7 commission that, so far as I have been able to look up their biographies in the Congressional Directory and elsewhere, I find nothing to indicate that any of them ever tried to rob a smokehouse nor have any of them ever tried to put over any piece of "frame-up" legislation of the nature of Mr. Hitchcock's "rider," printed on a previous page—*legislation to hobble, punish or ruin*

periodicals honest enough and independent enough to tell the truth to a hundred millions of people.

The foregoing are some of the reasons—there are many others—why I think the membership of that Penrose-Overstreet Commission of 1906-7 was possessed of an ability, character and qualification to have commanded Mr. Hitchcock's careful consideration of the information and data the commission so carefully collated, after thorough investigation, and submitted with its official report.

"Maybe he did make a careful study of that collated data?"

Yes, maybe he did. But if he did, then much of the "student discipline" and of the "study habit," which graduates of Harvard are presumed to have acquired, must have lapsed in the shuffle of the cards from which recent years have dealt his hands. I say this respectfully as well as candidly.

I cannot think of it as possible for a man of Mr. Hitchcock's known intellectual gauge to read—*studiously read*—the facts as presented in the testimony before that 1906-7 commission, or so read even the 63-page official report signed by five of the commissioners (Representative Gardner being ill at the time the report was submitted)—I cannot, I say, think it possible for any man of Mr. Hitchcock's admitted intelligence to read that testimony, collated data and report, and then proceed to talk or write so wide of *known facts* as does he in parts of his 1909 and 1910 reports and in his letters to Senator Penrose, printed in previous pages.

It may be—yes, it is most probable—that the commission did not dig out *all* the facts. But admitting that, the further admission must be made by any fair-minded man that most of the facts it *did dig out* appear to be the very facts which Postmaster General Hitchcock *ignored*—ignored with the self-centered nonchalance of a "short story" cowboy when "busting" a broncho before an audience.

I shall now present a few statements from the report of that commission, first quoting some of the arguments presented by publishers who appeared at its hearings personally or by representatives, or who presented their views in writing on the various phases of the questions under consideration. The quotations made, the reader must understand to be the commission's summary of what the publishers testified to, criticised or recommended, and not the full testimony or reports as made by the publishers.

I have taken the liberty to italicize certain phrases and sentences in these quotations, my purpose being, of course, to bring the points so italicized more particularly to the reader's notice:

The primary purpose and function of the postal service being the transportation of government and letter mail, second, third, and fourth class matter are not strictly chargeable with that proportion of the total cost of the service which would be equivalent to their proportion of total weight or volume, but these secondary classes, on the contrary, are chargeable only with that fraction of total cost which would remain after deducting all expenses of installation and general management involved in the maintenance of a complete postal service for government and letter mail. This method of computation should be applied not only in respect of the expenses of administration and handling, but especially in respect of the expense of railway mail transportation, in which, by reason of the sliding scale of payment, the additional burden of second-class matter entailed but *an infinitesimal additional cost.* As an illustration of this point, attention was drawn to the statement of Dr. Henry C. Adams, in his report to the commission of 1898 (p. 404), that *if the volume of mail had been decreased so that "the ton-mileage had been 169,809,000 instead of 272,000,000, the railway mail pay would have been practically the same.*

In other words, the argument is that the true cost of second-class matter is merely that part of total cost which *would be saved if second-class matter were now eliminated.*

The foregoing is from page 9 of the commission's report. On the same page of the report it gives a summary of another set of reasons presented by the publishers in their argument in support of their contention that the mail rate on second-class matter should be low:

That second-class matter, by reason of the fact that it is handled largely in bulk in full sacks already routed and separated and requires little or no handling by the railway mail service or the force at the office of mailing and of delivery, is in fact the *least expensive class of matter.* With respect to the proportion so routed and separated, it was variously estimated by the publishers as from *70 to 93* per cent of the total weight. The assistant postmaster at New York fixed the percentage for his office at *67 per cent,* and the assistant postmaster at Chicago estimated it, for the country at large, to be between 50 and 60 per cent.

The representative of the *American Newspaper Publishers' Association,* speaking for the metropolitan daily press, stated that less than *6 per cent of their circulation went into the mail at all,* in many instances the proportion being as low as two-thirds of 1 per cent; that the radius of circulation was not more than 150 miles; that their mailings averaged *49 pounds per sack,* and that 93 per cent of all second-class matter going out of New York city, for example, *was already sorted and routed.* It was admitted, however, that while the newspapers *avail themselves of express and railway transportation* for matter sent out in bulk, single copies sent to individual subscribers invariably went by mail.

Postmaster General Hitchcock appears to have largely ignored the fact so clearly pointed out by the publishers in 1906—yes, pointed out as long ago as 1898—that second-class mail matter is a *large producer of the revenues* received by the government from mail matter of the first, third and fourth classes. Following is a summary of what the publishers pointed out to the 1906-7 commission:

There is an immense indirect revenue on second-class matter, due to the fact that second-class matter is itself the cause of a great volume of first-class matter, upon which the department reaps a handsome profit. While the extent to which first-class matter is thus indebted to second-class matter is necessarily indeterminate, attempts were made to illustrate it by particular instances. This was done by computing the amount of first-class mail arising, first, from the direct correspondence between a publisher and the readers, and secondly, from correspondence, between the readers and the advertisers, resulting from the insertion of the advertisements. In the instances chosen, the first-class matter thus stimulated appeared to be very considerable. Upon this basis it was argued that any reduction in the volume of second-class matter would inevitably be followed by a corresponding reduction in first-class matter. This would not only deprive the Postoffice Department of the revenue from the first-class matter, *but by diminishing the total weight of the mails would correspondingly increase the rate of mail pay*, so that the net result of the elimination of the socially valuable second-class matter would be an actual increase in the total cost of the service.

The foregoing is taken from pages 12 and 13 of the commission's report. I desire to quote further from page 13—four paragraphs—and I urge they be read with care. The reader, too, should remember that this is not *all* that the publishers said on the points touched upon. It is, however, no doubt a fair epitome or summary of what they said or wrote to the commission. The reader should also keep in mind the fact that what they said and wrote was said and written in 1906, and *all* they said and wrote is on file and easily accessible to Postmaster General Hitchcock:

Within an average radius of 500 miles the express companies and railways stand willing to transport second-class matter, in bulk packages weighing not less than 5 to 10 pounds to a single address or to be called for, at rates actually lower than the second-class postage rate. Inasmuch as the average haul of second-class matter was reported by the Wolcott commission (p. 319), to be but 438 miles, it is impossible that the government should lose anything upon the transportation of this class of matter, or if in fact it should be found to be doing so, *the loss must arise from an overpayment to the railways.*

Even if it should be found that second-class matter was being carried at a distinct loss, that loss would be entirely justified by the *educational value of the periodical press.* From the beginning of the republic it had been the policy of

Congress to foster and assist the dissemination of information and intelligence among the people. Next to the great public school systems maintained by the states, the newspaper and periodical are the chief agency of social progress and enlightenment. So far from this being a subsidy to the publisher the advantage of the low postage rate had been passed on to the subscriber in the form of a better periodical and a more efficient service. Any substantial increase in the postal rates, while for the time being bearing heavily on the publisher, must eventually fall upon the subscriber, either in the form of an increased price for his reading matter or of a deterioration in the quality of that matter.

The correct method of dealing with the question of cost is to treat the service as a whole, and if the revenue for the whole service, *including allowance for government mail*, meets the cost of the whole service, it is immaterial whether each class of that service pays its own cost, or even whether the cost of one class has to be made up by a greater charge upon other classes.

With respect to rates, with the exception of some of the representatives of the *stockyards journals*, periodical publications were a unit against any increase. It was urged that the periodical publishing business has been built up on the present second-class rates, and that a change from 1 cent a pound to 4 cents, as suggested by the Third Assistant Postmaster General, would cripple, if not destroy, every existing periodical. While some would, perhaps, be able to adjust their business to the new rates and survive, the majority would perish, and the loss would fall heaviest on the smaller and weaker periodicals.

We will next note some things which that 1906-7 commission said on its own account or quotes some one in whose opinion they concurred or did not, as the case might be.

Some pages back, I told the reader, in effect, that while this commission's official report was a good one, presenting some valuable suggestions, I did not agree with certain of its recommendations and conclusions. Now, any adverse criticisms I intend to make concerning that report are, I think, best made right here, after which I will quote a few paragraphs from it which I believe highly commendable. There are many suggestions and recommendations that I believe would be of great value did the department but act upon them, and the vast amount of data the commission collected and made a digest of would, had he but looked into it carefully, most certainly have *persuaded* Postmaster General Hitchcock to speak and write less loosely on the subjects of second-class mail rates and periodical publication and distribution, induced him to talk in a way that would not leave the impression with studious, thoughtful auditors and readers that he got his opinions at a bargain sale during its rush hours.

I shall comment adversely on but a few points of the com-

mission's report. Three of its members (Senators Carter and Clay and Representative Overstreet) have *passed*—not off the edge of life but to official retirement, or, maybe, to the political morgue. They, in time, may be able to "come back." The Man on the Ladder has heard varied opinions—some of them decidedly variegated, too—anent the probability of those three gentlemen coming back. Personally I am not sufficiently acquainted with their official service careers to justify the expression of an opinion of them. If, while in office, they directed their efforts and activities to a service of their constituents and the interests of the people in general, let us hope they may "come back." On the other hand, if while in office they were but working models of the so-called "practical" politician, then, as a matter both of self-respect and of duty, we must hope they stay in the morgue.

"The 'practical' politician is the *working* politician."

Well, yes, that may be. But most of those within range of my vision from the ladder top appear to be devoting their most active and strenuous industry to "working" the people.

No, I do not like that type of human animal popularly designated as a "practical" politician. Especially do I not like him in public office—executive, legislative or judicial—elective or appointive, and I have run the lines on a good many of them. Most of them when in positions of official power and *opportunity* act as if their consciences had been handed down in original packages direct from their jungle ancestors. At any rate most of those in positions of official power and authority seem to follow one working rule, and follow it, too, both industriously and consistently.

To conceal one theft, steal more.

The typical "practical" politician, when holding down a public office, usually holds-up the people. They pose and talk as courageous patriots and *large* thinkers. Under close scrutiny, however, most of them will show up or show down merely as *discreet private or personal interest liars.*

But I have permitted my field glass to ramble from the specific to the general. Whether the three *passed* members of the 1906-7 commission are politically dead or taking only a temporarily enforced rest, the situation is one which suggests the propriety of that subdued and respectful tone one is expected to use when standing by as a friend is lowered to an enforced rest.

I shall now offer my strictures of a few recommendations made by the 1906-7 commission and of some of the arguments the commission's report offers to their support.

The first objection I find to the report of this Penrose-Overstreet Commission is that several of its paragraphs indicate that the commission appears to have been afflicted with Mr. Hitchcock's current ailment—an ingrown idea that some action, legislative or other, must be taken in order to curb the circulation growth and keep down the piece or copy-weight of periodicals. To The Man on the Ladder such an idea is not only faulty to the point of foolishness but it violates long established and successfully applied business practices in the transportation and handling of goods or commodities, whatever their character. The idea, it would appear, is based upon an oft-repeated but nevertheless false statement of fact, to the effect that the government is losing money in the carriage and handling of second-class mail at the cent-a-pound rate.

The falsity of that statement I shall conclusively prove to the reader later, if he will be so indulgent as to follow me. Here I shall say only this: If the government has ever lost a cent in rail or other haulage and handling of second-class mail matter, such loss has been *wholly the result of excessive payments to railroads, Star Route and ocean carriers, to political rather than business management and to permitted raiding of the postal revenues in various ways—from over-manning the official and service force to downright thievery.*

I have adverted on a previous page to the stealings of the Machen-Beavers gang, exposed by the investigation of Joseph L. Bristow, and a stench still exhales from the Star Route lootings exposed some years previous. In the Star Route case, the waste—a more fitting word is thievery—the stealing was largely effected through the medium of "joker"-loaded or unnecessary contracts, the contracts running to the advantage of some thief who "stood in" with the party in power.

Nor has all the Star Route grafting and stealing been stopped, though both Postmaster General Hitchcock and his recent predecessor, Mr. George B. Cortelyou, deserve great praise for having eliminated much of it, and Mr. Hitchcock's active, continued efforts to further clean out that Augean stable must command the hearty approval of every honest citizen. But, as just stated, some of the original graft and steal still lingers.

Last year I personally investigated one Star Route. It was a twenty-mile drive (round trip). The contractor was receiving $600 or more a year for the service. What he paid the villager to cover the route with his patriarchal team I do not know. The villager, however, picked up a little on the side by hauling over his drive local parcels, some merchandise and an occasional passenger. I watched his mail deliveries to the village office for ten days. On no day did the revenue to the government *exceed sixty cents, and on seven of the ten days it was below twenty cents. One day it was but ten cents.*

In this connection it should also be mentioned that the village which that Star Route was presumed to serve was on a regular rural route and received fully 95% of its mail by special carrier service connecting with a trunk line station only six miles away.

But to return to my objection to the manifest efforts of the Postmaster General and of recommendations in the Penrose-Overstreet report to adopt methods or secure legislation to restrain increase in both the circulation and the copy-weight of periodicals. Of course if the government really sustains a loss on the carriage and handling of second-class matter, the loss would be greater on 160 tons than on 80 tons. I, however, contend, and shall later prove, that—barring waste, pay-roll loafing and stealage—the government now transports and handles second-class matter at a profit.

Postmaster General Hitchcock, so far as I have found time to read him, has made no particular effort to restrict or limit the piece or copy-weight of periodicals. He was, seemingly at least, so occupied in his efforts to "get" a few periodicals through the means of that unconstitutional "rider" of his that he had little or no time for anything else. But the 1906-7 commission boldly advocated a *penalizing* of periodical *weight* for copies mailed to piece, or individual, addresses.

A table of graduated increases is given and some very peculiar argument, to put it mildly, is presented to support the recommended scale, or system, of weight penalization. Following I quote from pages 28-29 of the commission's report. The italics are mine:

The rate then for copy service would be one-eighth of a cent per copy not to exceed *2 ounces*, one-quarter cent per copy not to exceed 4 ounces, and one-half

cent for each additional 4 ounces or fraction thereof to be prepaid in money as second-class postage is now paid. Tabulated, it would appear thus:

Not exceeding—	Cents.
2 ounces	⅛
4 ounces	¼
8 ounces	½
12 ounces	1¼
16 ounces	1¾
20 ounces	2½
24 ounces	2¾
28 ounces	3½

Etc., etc.

The net result calculated by the pound will be, upon the periodicals above the average weight of 4 ounces and not exceeding a pound, a change from 1 to about 1¾ cents per pound. For heavier periodicals the rate would average 1⅛ *cents per pound* for those weighing 2 pounds, and increasing by an *infinitesimal* fraction with the proportion of weight above 4 ounces but never reaching, no matter how heavy the periodical may grow, the limit of 2 cents per pound.

While the actual increase of rate upon the *normal* periodical, especially in view of the publisher's right at all times to send it by bulk at a cent a pound, would be so small as not to upset his business, there would be two advantages to the postal revenue, one at each end of the line.

(1) The making of a definite minimum charge for the handling of the individual piece. (2) Increase of revenue as the periodical grows heavier, due to the fact that the initial rate of one-quarter cent for 4 ounces is *less than the incremental rate.*

This system of payment by the individual piece with a minimum limit of weight and an increased rate for each increment of weight is *common to the postal systems of the entire world* with the exceptions of Canada and the United States. The only difference is that in the present project the incremental rate is higher than the initial rate.

Although this graduated scale would appear to be more favorable to the smaller periodical than to the large one, it must be borne in mind that the periodical weighing *less than 1 ounce* and of necessity paying the initial rate of *one-quarter cent* would be paying a rate (2 cents per pound), slightly greater than the large periodical. This increase upon the periodical weighing less than 2 ounces finds ample justification in the obvious fact that the expense of handling second class matter is not to be measured simply by gross weight. On the contrary, as was pointed out by the representatives of the publishers in comparing the cost of handling second-class with that of first-class mail, such expense is to be measured by the number of pieces handled and frequency of handling. *A pound of periodicals which is made up of 10 or 12 or, as is sometimes the case, 30 or 40 separate pieces, each one of which requires a separate course of handling and delivery, can not with justice be treated as the equivalent of a pound of matter which requires but two, or, at most, four courses of handling and delivery.*

This increase would be offset, moreover, for the *normal* periodical weighing less than 2 ounces, the country weekly, by the retention of the free county privilege.

The foregoing is substantially the commission's *whole* argument, save a little more talk about "normal" periodicals, "normal" weeklies, and a statement to the effect that all countries, other than the United States and Canada, increase the piece, or copy, postage rate as the weight of the periodical increases—that is, these other countries do not give a *flat* pound, gram or other unit of weight rate.

Now, I shall briefly state my objections to some points in the above quotation—those points I have italicized.

The reader, however, must bear in mind that the scale of increase in mail rates above reprinted applies *only to single copies*—to copies mailed to individual addresses. For copies mailed in *bulk*, in packages weighing not less than ten pounds, to some agent of the publisher or other individual, to be taken up by the agent or individual at train or at central postoffice, the commission recommended the cent-a-pound rate.

In adverse criticism of the commission's argument for penalizing *weight*, because all foreign countries do so, I need but say:

1. There are more high-class newspapers—papers which, necessarily, have weight—published in this country *than is published in all the rest of the world.*

2. There are four times as many of what the 1906-7 commission—also Postmaster General Hitchcock—would class as "periodicals" published in this country *as are published in all the rest of the world.*

Sounds "loud," does it? Well, look into the matter. Maybe I am mistaken. If so, it is a mistake made after thirty years of study of the conditions controlling in my country—in *your* country—and of the prices paid in other countries for *efficient, satisfactory service.*

3. Those "other countries"—the stronger ones, at any rate—either *own* or *absolutely control* the railroads which transport their mails. In some of them, rail transportation of mails—also of government officials, the service personnel of the army and the navy, and of other government "weight"—are *carried free of charge.*

4. Those "other countries," of which so much is said and written ostensibly for our enlightenment, have gone through the mill

—their peoples have been *ground fine* in mills of sophistry and special pleadings, to which, *for fifty years*, we have been carrying our grists.

5. Those "other countries" are making their mail service a source of *governmental revenue.*

The people of this country, today, no more expect a revenue from the government's postal service than they expect it from the War, the Navy, the Interior, the Judicial or other service department.

The people want *service*, not revenues, from any federal service department.

And you gentlemen who vote away the people's money for services *not* rendered—which you *know* will not be rendered when you vote to "burn" the money—will, before those independent periodicals are through with the recent sand-bagging attempt to censor or control their *published thought*—you will learn, I mean to say, that people want *service* not revenues; that they want "duty," as an engineer would name it, not a *coached* prattle about B. T. U. or other legislative and official thermics.

Now, let us look back at that quotation—at some of the points in it I have italicized.

First paragraph quoted: Aside from small country dailies—now carried by mail to addresses inside the county of publication free—and fraternal papers, Sunday School sheets and similar publications, there are few periodicals published in this country which weigh two ounces or less.

First paragraph following tabulation: "The rate would average $1\frac{7}{8}$ cents per pound" for periodicals weighing two pounds.

A glance at the table shows that the piece or copy rate on a periodical weighing 28 ounces is given as $3\frac{1}{4}$ cents. A periodical weighing two pounds, or 32 ounces, would be charged a half cent more, or $3\frac{3}{4}$ cents for mail carriage and delivery, instead of 2 cents as now.

Second paragraph following the table, also in last paragraph quoted: "Normal" periodicals.

What is a "normal" periodical? Are the 4 or 8 page weeklies published in the back counties and the small religious, college, Sunday school and fraternal sheets that weigh two ounces or less "normal" periodicals? Are the dailies of our large cities, weighing from four to twelve ounces, "normal" periodicals? Is the Saturday Evening Post, weighing from ten to twenty ounces a "normal" periodical?

Are any of the periodicals in the following descriptive list "normal?"

The newspapers and other periodicals named in the following tabulation are those I could find within convenient, likewise hurried, reach. I tried to get them as near concurrent dates as I could. The tabulation will show the reader the proportion of advertising to body matter, printed in the different periodicals on the dates named.

Readers particularly interested in the data presented in the tabulation should, however, understand that for the newspapers listed, no account was taken of the "write-up" or "promotion" advertising printed as reading matter. Some newspapers, at certain times, carry a considerable amount of such paid matter while the standard monthly and weekly periodicals carry little or none of it at any time:

NAME OF PERIODICAL.	Date of Issue.	*a*No of Pages or Columns.	*b*Reading Matter, Pages or Columns.	*c*Advertising Matter Pages or Columns.	Gross Weight of the Periodical.
NEWSPAPERS. CHICAGO.					
The Examiner.					
Sunday Edition..	6-11-11	392 Cols.	171½ Cols.	220⅔ Cols.	15 ozs.
Daily Edition...	6-8-11	126 "	77⅔ "	48⅓ "	4½ "
Record Herald					
Sunday Edition .	6-11-11	448 "	286½ "	161½ "	18 "
*d*Supplement ..	.....	20 pp.	14 pp.	6 pp.	.....
Daily Edition....	6-8-11	126 Cols	77⅔ Cols.	48½ Cols.	5 "
The Tribune.					
Sunday Edition .	6-11-11	490 "	212½ "	277⅔ "	20 "
Supplement	.....	30 pp.	22½ pp.	7¾ pp.	.....
Daily Edition...	6-8-11	168 Cols.	86⅓ Cols.	81⅔ Cols.	6½ "
Inter Ocean.					
Sunday Edition .	6-11-11	316 "	242⅚ "	73⅛ "	12 "
Daily Edition....	6-8-11	84 "	59½ "	24½ "	4 "
The American.	6-8-11	126 "	65 "	61 "	4½ "
Daily News.....	6-8-11	210 "	87 "	123 "	7½ "
Daily Journal	6-8-11	112 "	63½ "	48⅔ "	4½ "
The Evening Post ..	6-8-11	84 "	64⅔ "	19⅓ "	3¾ "

NAME OF PERIODICAL.	Date of Issue	*a*No of Pages or Columns.	*b*Reading Matter, Pages or Columns.	*c*Advertising Matter, Pages or Columns.	Gross Weight of the Periodical.
BOSTON					
The Globe.					
Sunday Edition ...	6-11-11	720 Cols,	399 Cols.	321 Cols.	25 Ozs
Supplement ...	.....	28 pp.	20½ pp.	7½ pp.	.....
Daily Edition....	6-12-11	128 Cols.	102½ Cols.	25½ Cols.	4 "
NEW YORK CITY.					
The American.					
Sunday Eidtion .	6-11-11	392 "	221⅘ "	170⅕ "	12½ "
The Herald.					
Sunday Edition .	6-11-11	728 "	373 "	355 "	23½ "
Daily Edition....	6-12-11	114 "	73⅘ "	40⅕ "	4 "
PHILADELPHIA.					
The Enquirer.					
Sunday Edition .	6-11-11	576 "	339⅓ "	236⅔ "	18½ "
Daily Edition...	6-12-11	128 "	65⅚ "	62⅛ "	4 "
PITTSBURG.					
The Gazette Times.					
Sunday Edition .	6-11-11	504 "	358¾ "	145¼ "	15¾ "
Supplement ...	.....	20 pp.	15½ pp.	4½ pp.	.....
Daily Edition....	6-12-11	84 Cols.	56 Cols.	29 Cols.	3 "
CLEVELAND.					
The Plain Dealer.					
Sunday Edition .	6-11-11	512 "	292 "	230 "	16½ "
Daily Edition....	6-13-11	112 "	71 "	41 "	3¾ "
CINCINNATI.					
The Enquirer.					
Daily Edition....	6-13-11	112 "	66⅘ "	45⅕ "	4 "
LOUISVILLE.					
The Courier Journal					
Daily Edition....	6-10-11	112 "	91⅔ "	20⅓ "	4 "
ST. LOUIS.					
Post Dispatch.					
Sunday Edition .	6-11-11	400 "	261⅓ "	138⅔ "	12 "
Globe Democrat.					
Daily Edition....	6-13-11	112 "	67⅔ "	44⅓ "	4 "
KANSAS CITY.					
The Star.					
Daily Edition....	6-15-11	112 "	61½ "	50½ "	4 "
SAN FRANCISCO.					
The Chronicle.					
Daily Edition....	6-10-11	126 "	86⅘ "	39⅕ "	4½ "

NAME OF PERIODICAL.	Date of Issue.	*a*No of Pages or Columns.	*b*Reading Matter, Pages or Columns.	*c*Advertising Matter, Pages or Columns.	Gross Weight of the Periodical.
LOS ANGELES.					
The Times.					
Sunday Edition	6-4-11	1170 Cols.	586½ Cols.	583½ Cols.	35½ Ozs.
Supplement. . .	.....	30 pp.	24½ pp.	5½ pp.	.....
MONTHLY AND WEEKLY PERIODICALS.					
Everybody's Mag . .	4-1911	316 pp.	146 pp.	170 pp.	22 ozs.
" "	7-1911	284 "	140 "	144 "	20 "
Cosmopolitan " . .	3-1911	266 "	144¼ "	120¾ "	18 "
" " . .	7-1911	288 "	146½ "	141½ "	17 "
McClure's " . .	6-1911	244 "	113½ "	130½ "	12 "
American " . .	6-1911	224 "	132½ "	91½ "	15 "
Pearson's " . .	6-1911	206 "	143 "	63 "	16½ "
Sat. Evening Post . .	5-20-11	68 "	32½ "	35½ "	9 "
" " "	6-3-11	80 "	33¼ "	46¾ "	10 "
Ladies' Home Jour'l.	6-19-11	84 "	52½ "	31½ "	16 "
The Literary Digest	5-13-11	72 "	37⅛ "	34⅝ "	8 "
Inland Printer.....	3-1911	176 "	68½ "	87½ "	24 "
Publishers' Weekly	3-18-11	136 "	62⅓ "	73⅔ "	7½ "
Review of Reviews...	6-1911	268 "	129 "	139 "	17 "
Scribner's Magazine.	6-1911	250 "	134 "	116 "	16 "
Harpers' "	6 1911	284 "	164 "	120 "	21 "
Popular "	4-10-11	286 "	226 "	42 "	14 "
The Argosy	5-19-11	246 "	194 "	52 "	12 "
The All Story	4-19-11-	228 "	194 "	34 "	11 "
The New Magazine .	5-19-11	200 "	192 "	8 "	10 "

a Covers are included in the total for pages given.

b One cover page included in count for periodicals carrying cover with no advertising matter on title page of same.

c Three pages of cover are counted as advertising.

d The weight of supplements to Sunday Editions of newspapers (when mentioned as supplements in list), is included in the gross weight of the issue as given.

Next to last paragraph: Note the statement that "the periodical weighing less than one ounce" must "of necessity" pay the "initial rate of one-quarter cent" or "two cents per pound."

The initial rate as given in the table is but one-eighth of a cent.

That would make a per copy mail rate of two cents per pound, whereas an initial rate of one-quarter cent per copy would make four-page sheets and leaflets "normal" periodicals weighing less than one ounce pay at a rate of four cents per pound.

Next, note the *crossed* argument in the paragraph just referred to. The commission seems to accept the argument made by the publishers—that it cost less to handle a pound of mail made up of but one to four pieces than it costs to handle a pound made up of from ten to fifty pieces. That is a fact which admits of no controversy, is it not?

Then why did this commission advise the adoption of a flat rate of increase of two cents a pound (one-half cent for each four ounces), as the mail rate on periodicals weighing more than four ounces.

If the argument of the paragraph just cited is sound—and it certainly is sound—a just graduation of the mail charge for the carriage and piece handling of the heavier periodicals should scale downwards and not continue a flat rate, especially not continue at a flat rate on increase in weight that is greatly excessive, as two cents a pound certainly is.

I shall speak further of periodical weights later in connection with railway mail pay and car rentals. The report of this 1906-7 commission in various other paragraphs manifests a clear intent to restrict and, if possible, to curtail the expansion of second-class mail matter, not only by curbing the enlargement of periodicals in size by increasing the second-class rate and by penalizing added weight, but by putting restrictions upon the periodical publisher which must necessarily make it more difficult for him to increase his circulation. These restrictions, so far as yet expressed, apply to the publisher's sample copy privileges and to the amount of advertising a periodical may carry.

On page 48 of its report the commission, speaking of methods to curb a periodical's growth in both circulation and weight, advises that the following be covered into the law in lieu of certain phrasings now in the statutes and which, the commission asserts, have proved quite inadequate in restraining periodicals from expanding their circulation beyond a point which they are pleased to call "normal." They advise that the law "enforce the requirement that the periodical may be issued and circulated *only in response to a public demand.*"

In the draft of a bill which this 1906-7 commission recommends become a law, the following are the means by which circulation "only in response to a public demand" will be attained:

(*a*) By reducing to a *minimum the sample copy, which is one of the main agencies of inflation.* The legitimate periodical employing this means only to a slight extent will not be at all affected.

(*b*) By abolishing all premiums, whether of printed matter or merchandise.

(*c*) By either prohibiting all combination offers, as, for example, a set of books with a magazine, or requiring that in all cases a price shall be set upon both elements of the combination and that the full advertised price of the periodical be paid.

(*d*) By requiring that the publication shall print conspicuously, not only its regular subscription price, but any reduced price at which it is offered in clubbing arrangements and the like.

(*e*) By providing that all copies which the postmaster, in the exercise of due diligence shall be unable to deliver, shall be returned with a postage-due stamp for an amount equal to double the third-class rate. In other words, charge the publisher the third-class rate both for the forwarding and the returning of any copy sent otherwise than in response to an actual demand.

To The Man on the Ladder the commission's talk, advising the enforcement of "the requirements that the periodical may be issued and circulated only in *response to a public demand*" (page 40 of report), reads much like one of two things—either the inconsidered or ill-considered prattle of persons who want to say *something*, or the argument of *ulterior motive*—of a covert *purpose* to restrict, to cripple, to *kill* the greatest instrument for the education of its *adult* citizens which any nation of earth has to date discovered—an instrument that is economically within easy reach of its exchequer.

How much of a "public demand" does the reader think there would have been for the reaper, for the thrashing machine, for the case-hardened, steel shared plow, for the sewing machine, for the triple expansion engine, for the traveling crane, for any brand of breakfast food, of ham, of flour, books—in short, how much of "public demand" would there have been for any of the mechanical inventions, for any of the multitude of betterments in the housing, clothing and subsisting of our people, *had not that "public demand" been created?* No one wants anything, however excellent it may be, until his attention is called to it and he believes it will *aid him or her*, as the case may be, that it will lighten the stress of labor or increase its product, or in other lines and directions improve the conditions of

their lives, industrially or otherwise. Ninety-nine per cent of "public opinion," as to whether or not that public wants or does not want this, that or the other thing is *influenced*—is promoted by what it *senses* in personal contact with the thing or by what it hears said of it or *reads of it.*

That statement is as true of the members of the 1906-7 commission and of Postmaster General Hitchcock as it is of Mr. William Mossback of Mossville, Connecticut. The "demand" of each of us—our *desire* to possess this or that—is prompted—*is created*—by what we see, hear, feel, taste, smell or *read* of it. We stand at the head of the nations of earth for progress in the various fields of mechanical improvement, from kitchen utensils to laundry equipment, from the plow to the electric crane. What is true of the progress of our people through the adoption of labor-saving mechanical devices, implements and machinery is correspondingly true in various other fields of progress—a progress largely the result of promoted "demand" for the better things, for the improvements of which our people have *read* in our newspapers and in our monthly and weekly publications—yes, read of in the advertisements and in descriptive write-ups of such periodicals, if you will have it so.

So this prattle about issuing a periodical "only to public demand" is not only prattle—it is not only unsound and unbusiness-like both in theory and service practice, but it is also a *stealthy attempt to garrote the facts*, likewise an attempt to subject the great publishing interests of the country to the *rankest kind of injustice.*

How is the publisher to secure additional subscribers if he be denied mailing privilege to sample copies?

True, the bill recommended by this commission would allow the publisher to mail sample copies to the extent of ten per cent of his subscribed issue. Mr. Hitchcock, however, as I shall shortly show, proposes to exclude *all* sample copies from the mails.

The following is quoted from Mr. Hitchcock's 1910 report and shows that the Postoffice Department, as at present directed, is determined to curb the growth and development of periodical literature in this country in every way possible—ways that scruple not at *biased rulings and grossly unjust distinctions.* In the following Mr. Hitchcock is after what he is pleased to designate as an "abuse of the sample-copy privilege."

In order to discontinue the privilege of mailing sample copies at the cent-a-pound rate, legislation in substantially the following form is suggested:

That so much of the act approved March 3, 1885 (23 Stat., 387), as relates to publications of the second class be amended to read as follows:

"That hereafter all publications of the second-class, except as provided by Section 25 of the act of March 3, 1879 (20 Stat., 361), *when sent to subscribers* by the publishers thereof and from the known offices of publication, or when sent from news agents to subscribers thereto or to other news agents for the purpose of sale, *shall be entitled to transmission through the mails at one cent a pound or fraction thereof*, such postage to be prepaid as now provided by law."

In drafting the above recommended legislation Mr. Hitchcock no doubt was greatly assisted by the luminous suggestions, advice, analyses, etc., of his Third Assistant, Mr. Britt, to be found on pages 331 and 332 of the 1910 report—which suggestions, advice, etc., is based largely on "estimates"—"estimates" which any student or careful observer of the Postoffice Department methods of figuring and accounting will readily discern are, in several particulars, somewhat "influenced," if not, indeed, "fixed."

Up to January 1, 1908, periodical publishers were allowed to mail sample copies of any issue in number equal to that of their subscribed lists. Acting on the recommendation of the Penrose-Overstreet Commission, no doubt approved by Mr. Hitchcock, the mailing privilege on sample copies was cut down, January 1, 1908, to 10 per cent of the subscribed issue. Now comes Mr. Hitchcock with a bit of recommended legislation, as quoted above, which would, if favorably acted upon by Congress, deny the mailing privilege to *all* sample copies at the cent-a-pound rate.

Though not pertinent to the subject immediately under consideration, I desire here to call the reader's attention again to a point in Mr. Hitchcock's recommended legislation as quoted above—a point which is conspicuously worthy of a second notice and to which I have called attention on a previous page.

Mr. Hitchcock's report, from which the foregoing piece of recommended legislation is quoted, bears date of December 1, 1910. Keep that in mind. In that recommendation he would grant a *continuance* of the cent-a-pound postage rate on periodicals "sent to subscribers," but to such only. No sample copies are to be carried and handled,

mind you, at the cent-a-pound rate after Mr. Hitchcock's recommendation becomes law—that is, if it ever does become law.

Now, the subscribed mailings of any periodical—newspaper or other—are piece or single-copy mailings, which are admittedly the most expensive or costly to the government to transport and handle.

Yet Mr. Hitchcock recommends that *the cent-a-pound rate shall continue to be extended to such single copies*—a most just and sensible recommendation.

But Mr. Hitchcock when he wrote that bit of recommended legislation was thinking—and thinking only, if indeed he gave the subject any *personal* thought at all—of curbing the circulation growth of periodicals and, as a means to that end, recommends the exclusion of all sample copies from the pound-rate privilege.

Read carelessly or superficially that bit of suggested legislation in itself does not appear to have anything to do with sample copies. On second and more careful reading, however, its purpose becomes clear. If the cent-a-pound rate is to be allowed only to regularly *subscribed* copies of a periodical, then *all* sample copies must be mailed, if mailed at all, at the third-class rate—*must pay eight cents a pound.*

When it comes to covering or cloaking ulterior purpose or intent in legislation, Mr. Hitchcock is an expert, it would appear from the rider he so strenuously tried to put astride the 1911-12 postoffice appropriation bill, and from the foregoing as well as some others of his suggestions to Congress. But the point to which I more especially desire to call to the reader's attention when I obtruded that last preceding quotation at a point where it interrupted a consideration of the Penrose-Overstreet Commission's report was this:—

As previously stated, Mr. Hitchcock's 1910 report bears date, December 1, 1910. On that date, as appears from the last quotation, he desired a law that would bar all sample copies from the mails at the present second-class rate. It also appears that Mr. Hitchcock at the date named—December, 1, 1910—desired that all periodicals issued, except sample copies, *be carried, as now, at the cent-a-pound rate.*

Somewhere around February 1, 1911—*barely two months after he makes that cent-a-pound recommendation*—we hear Mr. Hitchcock assertively declaring, and contentiously arguing, that it costs the government *9.23 cents per pound* to transport and handle second-class matter.

What happened to his mental gear in so short a time to induce so *loud* a change in his mind?

Or was it a change of mind? On page 328 of that 1910 departmental report, Mr. Britt, Third Assistant Postmaster General, who has charge of the accounting division of the service, makes the bold statement that it cost the government $62,438,644.70 more to carry and handle the second-class mail last year than was received for the service. Being an "expert" figurer Mr. Britt found no difficulty in arriving at that absurd 9.23 cents a pound as the *actual cost* to the government of carrying and handling second-class mail. On pages 7 and 8 of the report, Mr. Hitchcock himself gives publicity to a conviction that the cent-a-pound rate should be increased on certain periodicals—*the magazines*—generously suggesting that the increased rate be confined to their "advertising pages" only. In the loosely worded "rider" he carelessly—*or purposely*—uses the word "sheets" in place of the word "pages" as used in his report.

Still, in face of his Third Assistant's lofty figuring, the conclusions of which are announced on page 328 of the report, and of his own statement of the "reasons for an increase of rate" on periodicals of the *magazine class*, for carrying and handling their "advertising pages"—in face of these statements, how did his mental gear so slip, or "jam," as to induce him to recommend, on page 35 of this *same* report, the enactment of a law continuing the cent-a-pound rate on *all* periodicals mailed, except sample copies?

Did he intentionally double cross both himself and his Third Assistant or, in his anxiety to curb the circulation growth of periodicals, *did he forget* what he and Mr. Britt had said?

What's the answer?

I give it up. However it may appear to the reader, to The Man on the Ladder it appears that Mr. Hitchcock in his 1910 report has written, figured and "recommended" himself into a situation that is far more humoresque than it is consistent or informative.

Returning to the report of the 1906-7 commission, I will mention a few more of its objectionable recommendations.

As previously stated, the Penrose-Overstreet Commission recommended the enactment of a law requiring that newspapers and other periodicals devote not more than one-half their space to advertising matter (Section 3 of recommended bill, page 50 of report). Thus,

in pressing an ill-conceived purpose to restrain the growth of circulation and increase of weight of monthly and weekly periodicals, they would, it appears, cut into that division of their published matter *which produces the greatest revenue to the government for carriage and handling.*

The truth of the last clause preceding has been so frequently and conclusively shown as to require no argument to convince the veriest tyro in knowledge of federal postoffice affairs and the sources of its revenues that the statement made is true. Elsewhere in this volume, however, the truth of the statement will be found fully established.

I confine the application of the statement to monthly and weekly periodicals, to such as are of general circulation. It of course applies, but in lesser degree, to newspapers. The advertising matter published in the newspapers is largely of local character, while that published in our high class monthly magazines and weeklies, in trade journals, etc., is largely general in character. The advertisements published by the former are chiefly those of local merchants and manufacturers and of local, commercial, financial and other interests. On the other hand the advertisements carried by the class of monthly and weekly periodicals indicated represent persons, companies and interests widely scattered throughout the country. Because of this phase in the character of the advertisements carried, the newspapers advertising space is not nearly so large a contributor to the government's revenues from first, third and fourth class mail carriage and handling as is the advertising space of our high-class monthly and weekly periodicals.

It is true that this 1906-7 commission makes a somewhat *strained* effort to assign two chief reasons for its recommendation to curtail the space which publishers of periodicals of all kinds may devote to advertising matter.

1. The commissioners appear to have been carrying around with them a stern purpose to suppress what they designate as the "mail order" publications, devoted largely to advertising the wares carried in stock by one or, at most, a few firms that individually or jointly pay for publishing the "weekly" or "monthly", as the case may be.

There can be no question that there is a large number of such alleged periodicals which have been issued and distributed through the mails for the *plainly* manifest purpose of advertising the merchandise

of those who pay for publishing them. I believe, however, that there are fewer of such fake periodicals enjoying the mail service at second-class rates today than there were ten or fifteen years ago. The Post-office Department, it must be said to its credit, has "disciplined" a large number of them out of existence or, at any rate, out of the second-class mail rate privilege.

But even if there are more of such fraud and fake periodicals today than formerly, any fair-minded man must agree that it is a very rank injustice to punish—to penalize by harsh restrictions and increased mailing rates—the thousands of legitimate and highly serviceable periodicals for the sins of a comparatively few alleged publications which have abused or are abusing the second-class mail rate privilege.

The department, with its large force of inspectors and investigators, should be able to weed out and exclude such "fixed" periodicals. If it cannot do so it appears to The Man on the Ladder that it would not require a very large amount of industrious, strenuous thinking on the part of six robust, competent legislators to frame a law that would reach the *guilty* without punishing or crippling the innocent.

2. This commission was also, it would appear, a stickler over *compliance* with the postal statutes—statutes (those now largely governing) enacted in 1879 and 1885, therefore so antiquated in their wording in several particulars as to be a misfit when attempt is made to apply them to the vast business and varied character of periodicals today.

The statute of March 3, 1879, in its definition of what the law would recognize as a periodical says, among other things, that a periodical must be "*originated and published for the dissemination of information of a public character, or devoted to literature, the arts, sciences, or to some industry.*"

This portion of the statutory definition the Commission seems to have entertained a special grudge against. At any rate it expatiated at considerable length in its report against the inadequacy, lack of definiteness, etc., of the definition as given. The commission's chief objection seems to center around the fact that space in periodicals should not be devoted to "commercial ends."

On page 35 of the report the commission says:

"What was in the mind of the author (of the 1879 statute), is clear enough.

He wished to prohibit the misuse of the privileges for *commercial ends* as distinguished from the devotion to literature, science, and the rest."

It is possible that they knew "what was in the mind of the author of that '79 statute better than I know it, or than Jim Smith or Reuben Peachtree knows it. It is also possible that they did *not* know the mind of that lawbuilder any better. While the '79 statute does not, in many particulars, meet present conditions as they should be met, in defining a publication that should be recognized as a periodical, it requires a supercritical or finicky mind to find much fault with it.

A periodical must be "originated and published for the dissemination of *information* of a public character, devoted to *literature*, the *arts*, sciences or some *special industry*."

Now, when one considers the broad application of the word "literature," the word "arts," comprehending as it does not only the mechanical and liberal or polite arts, but also *business*, commercial, mercantile and others, including the science of business management, and the term "special industry" and the broad field covered by it—when one considers the broad application of those words, it is a fairly legitimate inference that it was "in the mind" of the writer when drafting that '79 statute *to give a broad meaning* and range of service to the publications he intended should be classed as periodicals.

In this connection it is pertinent to ask why periodical publications should not serve, either in their advertising pages or in their "body pages," devoted to fiction and articles on political conditions, economics, history, the lives and deeds of men, forests and forestry, mills, mines, factory, farm and a vast array of other features, phases and conditions—why, I ask, should our periodicals not give aid by giving space to the great mercantile, manufacturing, financial, agricultural and other interests in this country—*interests which, collectively, have built up a commerce more vast today than that of any other nation of earth?*

Why should not this vast commerce of ours—a commerce in which every man, woman and child of our people is directly or indirectly interested—be aided and served in every legitimate way by our periodicals? Will some *politically* living member of that Penrose-Overstreet Commission rise and answer? Answer, not in hypercritical nothings, but *straightly and bluntly?*

Another immediately pertinent thing should be stated and another asked here. Among the instruments which have contributed to build up the great commerce of the nation, the American periodical must be recognized—*is recognized*—as one of the most efficient.

Why, then, this recent attempt to cripple, to curb, to lessen, its influence and effort? And why, again, try to curtail its circulation and usefulness by prattle about a postal "deficit" as reason for restrictive departmental rulings and laws when, should such restrictive measures be made effective, a shrinkage of postal revenues and a consequent increase of deficit would, necessarily, result?

Will some one whose thought-dome and *pockets* are not full of ulterior motives and postal service "deficits" please rise and answer?

Returning to the 1906-7 commission's agony over the definition in the act of 1879 of what should be considered a periodical and, therefore, entitled to mail entry as second-class matter, it appears that the commissioners, in an apparent *anxious* anxiety to prove their charge against the author of the act for careless, ambiguous wording, quote a lawyer's opinion, or part of such opinion, in support of the carefully framed-up "arguments" which it presents in didactic order, both before and after the quotation.

The quotation, it should be noted, is from the brief of the Postmaster General's counsel in Houghton vs. Payne, 194 U. S. 88, or so the commission's report designates it.

The point of the commission's argument appears to be: (1) that owing to its loose, indefinite wording, the act of '79 was of easy evasion when it came to passing upon the kind and character of matter which might be published in periodical form and mailed at second-class rates, and (2) that, by reason of such loose and indefinite wording, periodical publishers *have* evaded the intent and purpose of the act—have abused their second-class rate privileges—*have violated the law.*

That, at any rate, I read as the point and purpose of the commission's somewhat labored, if not strained, argument. They quote (pages 37-38) this counsel in support of that argument. I shall here reprint that quotation as evidence that the publisher of "the universally recognized, commonly accepted, and perfectly well understood periodical of everyday speech" (see fifth paragraph of quotation) *have not violated the law nor sought to do so.*

The quoted opinion presents some italicized words, phrases and

clauses as it appears in the report. I have taken the liberty to further italicize in reprinting it:

"The next words only strengthen the same idea—originated and published *for the dissemination of information of a public character*. Not, it will be observed, that it shall *contain* information of a public character, but shall be published *for the dissemination of* such public information. Each of these words is significant, and each gathers significance from its neighbors. *Dissemination* is here a word of strong color and tinges all the rest. It indicates a dynamic process, an agency at work carrying out a purpose for which it was originated and set in motion. But strong as the word dissemination is, it is fortified by the use of the word *information*. An agency for the dissemination of knowledge for example, might better consist with the idea of a library of books. But the word is not knowledge, but *information*. The distinction is obvious. One has the sense of accumulated stores; the other of *imparting the idea of things for current needs*. One is, as it were, human experience at rest; the other, human experience in action. One may be as stale as you please; the other must be new, fresh, vital. A book, a volume, is the medium of one; a journal the medium of the other.

"Information," says the Century Dictionary, "is timely or specific knowledge respecting some *matter of interest or inquiry*." It is, as it were, vitalized knowledge; knowledge imbued with life and activity. Nor when we come to the next phase do we find any change in the idea—or devoted to literature, the sciences, arts, or some special industry. *Devoted* to literature. Mark you, not that the publication shall be literature or contain literature, but that it shall be devoted to literature. What is meant by devoted? The Century Dictionary puts it thus: To direct or apply chiefly or wholly to some purpose, work, or use; to give or surrender completely, as to some person or end, as to *devote* oneself to art, literature, or philanthropy. There again we have the idea of a permanent continuing entity, a thing existing for a given purpose, appearing regularly at such intervals (not greater than three months), as may most effectually meet its needs, in the interest of art, of science, or literature.

Do we say that a book—a novel, a history, a drama—is devoted to literature? It is not devoted to literature; *it is literature*, and it would be an absurdity to speak of it as devoted to itself. Such a locution would be merely a willful perversion of language.

On the other hand, a review or a magazine may be said to be devoted to literature with perfect naturalness and propriety. For we rightly conceive of the review or magazine as one definite recognizable entity—a continuing whole, originated for a given purpose, and made up of similar parts having a common object—literature, for example, or art, or science, or whatever else it is to which the whole is devoted.

Taking these words, originated and published for, dissemination, information, devoted to, they all point to one conclusion. They are, we repeat, strong and pregnant words. There is but one concept consistent with them all. We confidently submit that an attentive reading of the statute will leave no doubt that what Congress constantly had in mind in the creating of this privileged class

of publications was the *universally recognized, commonly accepted, and perfectly well understood periodical of everyday speech.*

In establishing the rate for newspapers and other periodical publications Congress was not seeking to discriminate between good literature and bad literature or to establish a *censorship of the press with prizes for merit.* The thing it had in mind was not the goodness or badness of the information disseminated, but the *instrumentalities by which that dissemination might be accomplished.* It was not thinking of all the accumulated stores of sound and pure literature in the vast libraries of the world, *but it was thinking of how the mind of an inquiring and progressive people might be kept abreast of the times in all departments of human thought and activity.* Congress did not stand hesitating between a good book and a bad newspaper

Another position taken by the Penrose-Overstreet Commission, and one which The Man on the Ladder strongly opposes, is that a periodical may not or "must not consist wholly or substantially of fiction."

The words just quoted are exactly the words used in the sixth paragraph of Section 2 of the bill the enactment of which this commission recommended.

Now, whatever their wit or wisdom, their eloquence or adroitness of speech, their beauty of shape and apparel, or their loftiness of position, that "recommendation" should recommend the personnel of that commission, it seems to me, to some "wronghouse" for a long rest. Their conclusion, their *lex* recommendation and their "argument" in support, taken collectively, are as thrilling, likewise amusing, as the point in a story "where the woman is turned on and begins to short circuit the hero," putting it as near as I can remember in the language of Sewell Ford, Bowers, or some other "enlivening writer."

Lest the reader think my adverse criticism of the commissioners too harsh, or not in keeping with the dignity of the gentlemen composing that 1906-7 commission, I shall here quote a few of the paragraphs it presents as basis for its recommendation. The reader will oblige by carefully noting the italics. They are mine, and, following the quotation, I shall comment on some of those italicized phrasings and statements:

"Not only does the element of fiction constitute the (1) *propulsive force behind the expansion of second-class matter,* but it serves at the same time (2) *to undermine the main statutory check upon the commercial exploitation of the second class.* Being free to make up a periodical which contains nothing but fiction, publishers find ready at hand the very thing with which to interlard and *disguise the advertising matter,* for the sake of which the publication is really issued. This they

could not do if the advertisement carrying text was required to be news matter or critical matter of a current nature. (3) *Deprive the mail-order journals of the right to cloak* their advertising with fiction and require them to publish something in the nature of a newspaper or review with expensive news-gathering apparatus and an editorial staff and (4) the *mail-order advertising journal will completely disappear.* It lives only by reason of two things, the cheapness of its fiction, with which it cloaks its advertising, and the cheapness of the postal rate which that fiction cloak enables it to obtain.

The distinction between the fiction-carrying periodical and the nonfiction-carrying periodical (5) *is precisely the distinction between a periodical fulfilling the purposes of the act and the publication which, although periodical in its form, has no true periodicity in its essence.*

Another consequence of the expansive power of fiction is found in the confusion of the newspaper and magazine types and the unhealthy exaggeration of the modern newspaper, as shown especially in its Sunday editions.

The newspaper is rapidly being extended into the magazine field at the sacrifice both of the postal revenue and the (6) *true mission of the newspaper. The miscellaneous matter contained in the Sunday issue of a newspaper must of necessity lack the quality to make it socially and educationally valuable.*" (Page 37.)

"No fiction necessarily involves the element of periodicity or time publication which is involved in the very idea of a newspaper or periodical. It follows, then, (7) *that the real purpose of the act of March 3, 1879, namely, the diffusion in the quickest possible way at the smallest possible cost of timely information among the people, is perverted when the right to that quick and inexpensive diffusion is extended to the form of fiction.* But the periodical form devoted to fiction, or in which fiction constitutes the predominant feature, is the very form of periodical which serves to swell the second class. The popular demand for fiction seems to be practically unlimited. The temptation offered by the low postal rate to supply that demand through the periodical form is a temptation impossible to resist." (Page 39.)

I shall make my comment on the foregoing in the order that its italicized *assertions* are numbered.

(1) The "element of fiction" has not and does *not* constitute "the propulsive force" stated. Was it "fiction" that propulsed the circulation of *Everybody's? of Pearson's*? of *The Cosmopolitan?* of *The American?* of *McClure's?* of *The Saturday Evening Post*? of *The Inland Printer?* of *The Progressive Printer?* or of scores of other monthly and weekly periodicals whose publishers are independent enough to do their own thinking and courageous enough to publish what they and their representatives found to be the truth?

Was "Frenzied Finance" fiction?

Was Anna M. Tarbell's exposures of Standard Oil fiction?

Was the exposure of the Waters-Pierce Oil Company's connection

with the great Senatorial "I" of Texas fiction? Was the shake-up of the "Big Three" life insurance companies fiction? Were the hundreds of other trenchant write-ups and exposures of wrong practices, of impositions, of crookedness and *crooks* in official, corporation and private life, "fiction?"

The man who reads and will attempt to answer any of those questions affirmatively needs to have his brain dusted up—that is, of course, on the presumption that he is not *paid for vocal gyrations.*

And yet it was the telling write-ups and exposures of these independents which greatly increased their circulation and, consequently, increased second-class tonnage.

(2) There is no such "main statutory check." Moreover, the "commercial exploitation" given in the advertising pages of our standard periodicals to merchants, manufacturers, etc., is, as previously shown, not only just and due to the vast commercial interests of the country, but it is safely within both the letter and the intent of the statute.

(3) As previously intimated, a sextet of experienced legislators who could not frame up a law that would put the "mail-order journals" and other abusers and abuses of the second-class mail-rate privilege out of business without ruinously restricting and obstructing the vast legitimate periodical interests of the country, that sextet ought to do one of two things, either send their thought equipment to a vacuum cleaner to get the dust blown off and then try again, or they should turn the task over to some other legislators. There most certainly are scores of legislators in the Senate and the House fully equipped to prepare such a piece of legislation.

(4) In comment under (3) I noted this "mail order advertising journal." I did so to indicate that the Penrose-Overstreet Commission, as it appears to me, worked the "mail order" print stuff overtime for the purpose of *reaching certain legitimate publications.*

(5) There is no such distinction between "a fiction-carrying periodical and the non-fiction carrying periodical" as that named. Fiction in a periodical is just as permissible under the act as is the series of war stories, or reminiscences, now (May, 1911), running in one of the magazines; as in the series of articles on the civil war now running in one of the Chicago newspapers, or as would be a series of articles on "the Panama Canal," on the "Development of the Reaping Machine,"

on "Treason in Our Senate," on "The Depletion of American Forests," on "The Railroads' Side of the Railway Mail Pay," or on any other subject of the historical past or active present.

In fact, most of the current fiction, whether in serial or short-story, published in the standard monthly, weekly and other periodicals of large general circulation presents far more of *truth* than do the stories, reminiscences and "historical naratives about the civil war," written forty-five years after the events, and, if based on personal experience, written from fading memory of the facts.

(6) While one may agree with the thought expressed by the commission at (6), its wording expresses a desire or tendency to *censor* the periodical press of the people by legislative restrictions and departmental rulings which not only contravene the Federal Constitution, but which are inimical to the personal rights and liberties guaranteed by that constitution.

Force is added to this objection to the commission's recommendation by the fact that it specifically delegates to the Postmaster General the power and authority to decide the kind and character of printed matter which shall have the right of entry at second-class rates, and which complies with the requirements the commission would have written into the law.

Section 2 of the at present governing statute, the commission advised (see recommended bill, page 49 of report), should, in its opening paragraph, read as follows:—

"No newspaper or other periodical shall be admitted to the second class unless it shall be made to appear by evidenee, *satisfactory to the Postmaster General or his lawful deputy in that behalf*, that it complies with the following conditions."

Then follow the "conditions," several of which I have already shown to be seriously objectionable.

(7) I have already presented, under (5), some objections to the commission's argument made in this seventh citation. I will, however, again say that the publication of fiction, other than immoral, in periodicals, does not, in my judgment at least, in any way infringe the "purpose of the act" of 1879. I will here go further, and say that the act of '79 does *not* comprehend in its "real purpose," as the commission tries to make it appear at (7), that "the diffusion in the quickest possible way at the smallest possible cost of *timely* infor-

mation among the people"—that is, the act does not so purpose if the word "timely," as here used, is intended to mean "news" or "currence of matter," etc., as the commission elsewhere in its report argues for. In fact, the commission's statement at (7) is further alee of the "real purpose" of the act of 1879 than is the publication of *any fiction* in a periodical, and that too, whether the fiction be a reprint of some old production or the imaginative visualizations of some current writer who moved from periodical publication in 1908 or 1909 to print as a "best-seller" in 1910, or from a best seller in 1908-9 to periodical form in 1911.

In short, the commission's position regarding the publication of fiction in periodical form contravenes the "real purpose" of the law. So, also, does its position on several points it seeks to bolster in its report contravene the real purpose of that act, as I have previously shown, quoting in one instance the opinion of a Postmaster General's counsel, which opinion the commission itself quoted to support a *false position.*

I feel constrained to make another point against the stand this commission took against the admissibility to the second class mail rate privilege of periodicals largely devoted to fiction.

It appears to me that these commissioners must have confined their reading in recent years largely to the older and so-called "classic" fiction, to professional tomes, to juridic opinions, attorney's briefs, and to "booster" stuff for parties and candidates published in our newspapers. Certainly they could not have read much of the periodical fiction published by our high-class monthlies and weeklies. If they had done so, they would not, it seems to me, have written so loosely and *unwarrantedly* of the "fiction" in their report.

Had they read much of the fiction appearing in the leading periodicals during current and recent years, they would have learned at least two facts about it:

1. Much—yes, most—of the fiction printed during recent years in our standard periodicals (even in those printing only fiction as "body matter"), has been highly didactic or educational in character.

2. The periodical fiction published in our leading magazines and weeklies has taught our people lessons in morals, in politics, in political economy, in social, domestic and industrial life. It has told its readers of the habits and habitat of animals, of birds and bees; of flowers,

of fruits and forestry. Nor has there been much of "nature faking" in it. Some of the most informative matter ever printed bearing upon natural history, the geography, topography and hydrography of this earth, has reached us through the periodical fiction of the past ten or twelve years. Not only that, but such fiction has gone to the farm and into the laboratory, into the mine, the factory, the mill, and the lumber camp; into the mercantile establishment, into transportation, both rail and water; into the counting room, into the "sweat-shop" and into the tenement districts, the purlieus and the "submerged tenths" in both the lower and higher "walks" of the world's various and varying civilizations, and it has *taught us things* we did not before know.

Then *why* should new laws be enacted, or old laws be twisted, turned or misconstrued, to exclude "fiction"—*periodical* fiction—from the second-class mail rate privilege?

One other objection I find to this 1906-7 commission's report. It recommends the appointment of a "Commission of Postal Appeals."

The report states that certain publishers favored such a commission. That be as it may, I do not believe that such a commission will return service value at all commensurate with the amount of public money it would cost to keep its wheels "greased" and operating. Next to a bureauocracy, government by commissions is the worst. Can the reader think of a "Commission"—a Government, a State, County or City Commission—that ever discharged, promptly and satisfactorily, the duties assigned to it? One is put to no trouble to think of scores of Civil Service Commissions, Forestry Commissions, Subway Commissions, Canal Commissions, Traction Commissions, Railroad Commissions, Postal Commissions, Inter-State Commerce Commissions and a host of others.

But do you know of one of them that ever did any real serviceable work *for the people*—did it until an aroused and hostile public opinion *kicked* it into doing the work?

You may know of one. The Man on the Ladder knows of *none*, and he has been watching the service value of the "commission" for thirty-five years. As a *governing* instrument it has largely been a *subversive* instrument. It always spends its appropriation. It always puts as many of its uncles, brothers and nephews on the pay roll and takes as many junkets as is possible under its appropriation

and, if the appropriation is exceeded, it usually asks for more and—*gets it.*

We have an Interstate Commerce Commission. It has been on the job ever since John Sherman put it on duty. Sherman knew what he intended—*wanted*—it to do. Did it do what he and the rest of us depended on it to do? Well, not to any noticeable extent. It spent hundreds of thousands of dollars of our money while it *permitted* the railroads and express companies to rebate, "differential" and "short" and "long" haul us out *of hundreds of millions of easy or stolen dollars.*

O yes! of course the Interstate Commerce Commission is, of late, getting down to business—getting down to the work John Sherman *intended it to do when he drafted the bill which created it.*

Why has that commission finally arrived at its starting point? Why is it now trying to do—and trying, even yet, to do it in a *loose, dilatory way*—what Sherman intended it to do?

"Why?" Why, simply because the people have finally learned—thanks largely to the enlightenment given them by the independent periodicals of the country—that they have been governmentally treated as fools—that they have been treated as sheep to furnish fleece and mutton for a few who feast and wear fine raiment, *yet earn it not.*

O yes, the people have learned some things and they, recently, have been learning rapidly. It is the people who have *learned* who have virtually *kicked* the Interstate Commerce Commission into dutiful action.

No, I positively do not like government by commission, and especially do I not like government of our postal service, or any phase, feature or division of it, by a "Commission of Postal Appeals" or by any other commission, however dignified its title may be. Any suggestion or recommendation of such a commission is, to The Man on the Ladder, but a suggestion and recommendation to further load an already *overloaded* service.

By that, I mean that the service now rendered by the Federal Postoffice Department is not nearly commensurate with the number of employes carried on its payrolls or with its expenditures, and that the creation of a commission—any postal commission—will only add

names to the department payrolls and thousands of dollars to its already excessive expenditures.

In closing my consideration of this Penrose-Overstreet Commission's report—a report which Mr. Hitchcock appears to have taken some "hunches" from while it also appears he gave very little or no study or consideration to the vast amount of informative data it collected and *filed*—I desire to make a statement or two and then ask a pertinently impertinent question or two.

Among the vast amount of informative data on the subject of transporting and handling second-class mail matter, its cost to the government, etc., there are pages upon pages of testimony by publishers the commission invited to appear before it in person or by representative. Some of that testimony, so newspapers reported during the hearings in both New York and Washington, is supported or reenforced by the jurats of the publishers testifying. Some of those publishers stated in their testimony that the sample copies they had distributed had, by reason of the correspondence and mail business resulting, amply compensated the government for carrying and handling such sample copies. Several *specific and detailed* statements were made by the publishers.

Again: The publishers furnished voluminous testimony—both in their own statements and in the correspondence of business men who had patronized the columns of their publications—in proof of the fact that (1) the advertising pages of their publications were as generally read, if not more read, than were the body pages, and (2) that the sales of stamps by the government for the correspondence and business resulting from the advertisements printed yielded far more postal revenue than did any other character of second-class matter the mail service handled.

Now, the questions.

When this Penrose-Overstreet Commission sent out its invitations most of them went to publishers and associations of publishers. At any rate so it would appear from statements in the commission's report.

Did the commission believe the publishers invited were liars?

If so, why did it invite them?

After hearing their verbal testimony and looking over their

written statements, *did the commission conclude that those publishers were liars?*

If so, why did it spend the people's money to collate, digest and file the testimony of liars for the information of Mr. Cortelyou, the then Postmaster General, Mr. Meyer and Mr. Hitchcock, his successor, and other Postmaster Generals who will follow Mr. Hitchcock?

Again—If those commissioners of 1906-7 concluded, either before or after hearing them, that the publishers were or are *liars*, why may not, or should not, those publishers conclude (after reading their report) that the commissioners are liars?

CHAPTER VI.

THE PUBLISHERS SPEAK.

I quoted from Senator Owen on a previous page when discussing the unconstitutionality of Senate revenue-originating amendments. Under his leave to print Senator Owen embodied in his remarks on February 25, 1911, the arguments presented by some of the publishers in reply to Mr. Hitchcock's statements. They point out in particular his peculiar method of figuring by which he reaches results so at variance with the facts as, at times, to be far more amusing than informative. I shall here quote some of them.

I have previously adverted to the promptitude of Senators Owen, Bristow, Bourne, Cummings and others in getting onto the firing line. Their combined resistance soon forced Mr. Hitchcock to unmask his guns. He was ready, it would seem, to do or concede almost anything *provided*, always and of course, he could give a few of those pestiferous, independent magazines a jar that would so agitate their several bank accounts as to influence them to print what they were *told* to print.

But when the General found that he was flanked, and his position being shot up, he began to display parley and peace signals. "The country newspapers would not be affected"—they would still be carried and distributed free—55,000,000 pounds of them or more each and every calendar year.

The "poor farmer" needs special government aid, you know. Or, if the farmer should not be personally in need of government assistance, as now it frequently and numerously chances, why, well—oh, well, we desire to show our friendly "leanin's toward him." He may remember it at the next Presidential election—just when we may be needing a few farmer votes. So, as one evidence of our kindly consideration for the farmer, we will not trench upon his *special privilege*. He shall still have delivered him—free—fifty-five to seventy million pounds of "patent insides" and other partisan dope sheets, printed in his own county and published and edited by regularly indentured, branded and tagged political fence-builders—guaranteed "safe" under the pure food laws, etc.

Then Postmaster General Hitchcock also let it be generally known that it was remote from his intentions to add a mail-rate penalty to any religious, educational, fraternal or scientific periodical. Some of these—not including the Sunday School leaflets, of course—circulate in vast editions ranging from 500 to 5,000 copies a month. They, too, were such "powerful educational instruments," he or some of his assistants assured doubting Thomases in both the upper and the lower branches of federal legislation.

Next, he back-stepped a little to assure trade journals that it was not his purpose to hand them any advance over the cent-a-pound mail rate, or so at least, Washington correspondents reported. Finally it is said, a statement generously borne out by the wording of his jockeyed "rider," that newspapers—*all newspapers*—would be fanned through the mail service at the old cent-a-pound rate.

It would appear that the anxious interest of our Postmaster General was willing to let almost any old thing in the shape of a "periodical" switch through and along at the old rate, if he could only ham-string a few—a score or less—of monthly and weekly periodicals which persisted in printing the unlaundered truth about looters, both in and out of office.

Now, we will present a few figures and statements of the publishers, presented in answer to Mr. Hitchcock's voluminous, likewise varied and variegated, utterances, both verbal and in print, to support his *lurid guess* that it costs the government 9.23 cents a pound to transport and handle second-class mail matter.

Before quoting the publishers, however, I desire to say two things:

1. The periodical publishers must necessarily know, I take it, more about the business of printing and distributing periodicals than Mr. Hitchcock has been able to learn about that business in the two *politically swift* years he has been on his present job.

2. The publishers in replying—*in presenting the facts*—are entirely too dignified. Of course, dignity is a fine thing—an elegant decoration for our advanced and super-polished civilization. But when some human animal deliberately and industriously tries to shunt on to your siding a carload or more of "deficits" and other partisan and "vested interest" junk, and tells you its price is so much and *that you have to pay the price*—well, at about that point in the

progress of our splendid civilization, I think it both the part of justice and of thrift to lay *dignity* on the parlor couch and walk out on your own trackage, making as you loiter along a few plain and easily understood remarks. That is just what I believe these publishers should have done when Mr. Hitchcock covertly tried to deliver to them, charges collect, his several large consignments of talk about "deficits," "cost of carriage and handling second-class matter," "publisher's profits" and other subjects about which he was either equally ill-informed or ill-advised.

Yes, there are occasions when it is quite proper to hang one's dignity on that nail behind the kitchen door and sally forth in shirt sleeves with top-piece full of rapid-fire conversation.

With these suggestions, from which it is hoped the publishers may take a few hints for future guidance when Presidents and Postmaster Generals undertake to deliver to them a cargo of cold-storage stuff that was "off color" before it left the farm, I will proceed to do what I have several times started to do—quote the publisher on Mr. Hitchcock's ring-around-a-rosy method of figuring.

In quoting from the publishers' "exhibits" it is due to Senator Owen that we reprint a few paragraphs from his foreword. In speaking to "the merits of the case," the Senator said:

> Separate and apart from the fact that this proposed amendment violates the Constitution of the United States and the rules of the Senate, I regard such method of legislation as unwise, if not reprehensible, for the reason that, in effect, it is a denial of the right to be heard by those who are deeply interested in it. Over a year ago the periodical publishers affected desired to be heard in this matter, and were not given a proper hearing on this vital question. Indeed, they appear to have been left under the impression that nothing would be done in regard to the matter; or, at all events, they seem to have been under this impression. When the matter came before the House of Representatives and the committee having the matter in charge, no discussion of this matter took place. No report on it was made. No opportunity to be heard was afforded. Neither was the matter discussed on the floor of the House. When the postoffice appropriation bill came to the Senate, *no hearing was afforded, but at the last minute*, after the committee had practically concluded every item on the appropriation bill, this item was presented, not only giving the periodical publishers no opportunity to be heard, but giving the members of the committee no opportunity to study this matter and to digest it. I regard it as grossly unfair, and at the time in the committee I reserved the right to oppose this amendment on the floor of the Senate.
>
> *In the affairs affecting our internal administration I am strongly opposed to any secrecy.*

In my judgment, the claim made by the Postoffice Department *is erroneous on its face*, for the obvious reason that it is conceded that these magazines are brought by express and distributed in Washington, D C., over 250 miles from New York, at less than 1 cent a pound for cost of transportation and distribution. The Postoffice Department declares that it costs 9 cents a pound. *This is a mere juggling of figures.*

I have no doubt that if a proper weighing of the mails was observed, and if the railways were to carry the mails at a reasonable rate, this distribution could be made at a cost approximately *that which I have named*, as illustrated by the cost of distribution in Washington City, which is an undisputed fact.

After presenting the publishers' "Exhibit A," in which they refute Mr. Hitchcock's unfounded assertions of colossal profits in the magazine publishing business—a subject which I treat elsewhere—the Senator presents their "Exhibit B," which counters the Postmaster General's claim that the proposed increase in rate would yield a large revenue to the government. "Exhibit B" reads as follows:—

It has been shown from the original books of account of the five most prominent magazines that the proposed measure charging 4 cents a pound postage on all sheets of magazines on which advertising is printed would tax these magazines, the most powerful group, best able to meet such a shock, nearly the whole of their entire net income. This means that the new postal rate could not be paid. There is not money enough in the magazine business to pay it. Magazines would simply be debarred from the United States mails.

But assume, for the sake of argument, that this would not be the case, and that the money could be found to pay the new postage bills, what, theoretically, would be the increased revenue of the Postoffice Department, for the sake of which it is proposed to take more than all the profits of the industry that has been built up since 1879?

The Postmaster General, in his statement given to the Associated Press, and published in the newspapers Tuesday morning, February 14, claims that the proposed postal increase on periodical advertising would amount to less than 1 cent flat on the weight of the whole periodical. This is not the way the ambiguously worded amendment works out literally; but, accepting the Postmaster General's figures and applying them to the weights, given in his annual report, of the second-class mail classifications affected by the increase, let us pin the Postoffice Department down to what it hopes to gain from a measure that would confiscate the earnings of an industry.

Mr. Hitchcock in his statement gives 800,000,000 pounds as the total weight of second-class matter. In his report for 1909 he gives the percentage of this weight of the classifications that could possibly be affected by this proposed increase as 20.23 per cent for magazines, 6-4 per cent for educational publications, 5.91 per cent for religious periodicals, 4.94 per cent for trade journals, and 5 per cent for agricultural periodicals, making 42.97 per cent altogether of the 800,000,000 pounds that might be affected by the proposed increase, or 343,-

760,000 pounds. Of course, this includes the periodicals publishing less than 4,000 pounds weight per issue, and exempted by the amendment.

But, making no deduction whatsoever for these exemptions, and none for the great expense of administering this complex measure, with its effect of conferring despotic power, certain to be disputed, the Postmaster General claims that this figures out only 1 cent increased revenue on 343,760,000 pounds, or a gross theoretical gain to the Postoffice Department of $3,437,600. These are the Postmaster General's figures, not the publishers'.

But from this figure of 343,760,000 pounds the Postmaster General would have to subtract the weight of all the periodicals exempted, and also subtract all the new expense involved for a large force of clerks.

There will also be a great increase of work for inspectors, as the proposed measure puts a premium on dishonesty There will be constant temptation for unscrupulous people, who try to take the place of the present reputable publishers, to publish advertising in the guise of legitimate reading matter. There will be extra legal expenses for the disputes that arise between publishers and the Postoffice Department over matters in which the publishers may believe the department is using the despotic power given by this measure to confiscate the property of publishers. In the hearings before the Weeks committee, it was frankly admitted by members of the House Committee on Postoffices and Postroads that the government postoffice service could never be run with the economy and efficiency of a private concern.

With all the expense of this new scheme subtracted from such a small possible gain as is claimed by Mr. Hitchcock, what revenue would remain to justify the wiping out of an industry built up in good faith through thirty-two years of an established fundamental postoffice rate?

If the department succeeded in saving $2,000,000, after deducting the exempted publications and all the new expense involved for a great force of clerks, this would amount to less than 1 per cent of its revenues for 1910. It would amount to less than one-eighth of the postoffice deficit in 1909. It would amount to less than one-fourteenth of the loss on rural free delivery alone in that year.

But even this gain would be only theoretical; for, as shown before (Exhibit A), many of the comparatively small groups of periodicals left to be published, after the favored ones were exempted, would find that it required more than all their income to pay their share of the new rate.

You can not take away from a person more than 100 per cent of all that he has—even from a publisher. It is not there.

These figures of increased revenue to the government are based on the department's own statements. They are mathematically accurate.

They must not be interpreted, however, as measuring the extent of publishers' losses. They take no account of the increases, certain to follow the enactment of this legislation, in the rates of other lines of distribution from which the government derives no revenue. They take no account of the loss in circulation volume that is certain to follow an attempt to raise the price of magazines

to the public. They take no account of the loss in advertising revenue that is certain to follow a loss in circulation.

Neither are these figures a complete record of the effect on the government revenue. They take no account of the certain destruction of publishing properties, and the consequent destruction of postal revenue on the profitable first-class matter their advertising once created.

"*Postscript:* Since this calculation was made and a flood of telegrams from agricultural publications has come to Congress, the afternoon newspapers of Tuesday, February 14, reported that at a cabinet meeting on that day it was decided by the Administration and announced by Postmaster General Hitchcock that agricultural periodicals will be exempted from the increased postal rate. The owners and other representatives of agricultural periodicals gathered in Washington to oppose the amendment to the postoffice appropriation bill at once left Washington for their homes. It was reported at the same time that the religious periodicals had also been assured that a paternal Administration would take care of them.

This leaves the situation in such shape that the Administration has at last got down to the comparatively small group of popular magazines.

These magazines proper, the Postmaster General says, constitute 20.23 per cent of second-class matter, or only 162,000,000 pounds, out of the 800,000,000 pounds of second-class mail.

As the Postmaster General says, as explained above, that the proposed increase would only mean 1 cent a pound more on the whole periodical, he could only figure out a theoretical gross gain of $1,620,000. But his figures are, as usual, all wrong.

From this $1,620,000, that his figures come to, he would have to deduct, of course, the exempted periodicals and also all expenses of administering the proposed new measure.

The pretense of raising second-class rates to do away with the postoffice deficit therefore disappears.

A few popular magazines are to be punished.

The absurdly unjust discrimination involved in the proposed increase of postal rates on certain subclasses of second-class mail, *leaving the larger subclasses, more costly to the postoffice, untouched,* is shown in Exhibit C."

But how about this new development, in which the Postmaster General apparently decides from day to day and hour to hour as to

whether one class of periodicals or another shall be allowed to live or made to die?

Has there ever before been in America, or in Russia, or in China, a censor with this power? If the institutions of this country are to be so changed as to give this despotic censorship to one man, *ought that man to be the official in charge of the political machinery, as patronage broker, of the Administration?*

Now, we come to *weights*, and here the publishers begin to talk back a little. In introducing the publishers' "Exhibit C" Senator Owen said:

"It is insisted by the Postoffice Department that it is entirely just to increase the cost on advertisements in the magazines. I submit their answer:"

Why should the Administration have gone to a small 20 per cent portion of the second-class mail to increase postal rates? The Postmaster General gives the magazine weight as 20 per cent of the whole second-class mail, and newspapers as 55.73 per cent. Why leave out the largest classification entirely and concentrate all the new tax on a little 20 per cent classification, which in profit-making and tax-bearing capacity is vastly smaller than even the figures of 20 per cent and 55.73 per cent indicate?

The real reason why the Administration concentrated its fire on the magazines is well known.

But let us look at the reasons given by the Administration—*given hurriedly and weakly, and almost absurdly easy to disprove.*

Why are newspapers exempt and magazines punished to the point of confiscation?

The Administration says (*a*) magazines carry more advertising than newspapers; (*b*) they cost the Postoffice Department more than newspapers, because they are hauled farther

(*a*) It is not true that magazines carry more advertising than newspapers. By careful measuring the entire superficial area and the advertising contents, respectively, of each of 36 daily newspapers and each of 54 periodicals—the chief advertising mediums of the country—it is found that magazines averaged 34.4 per cent advertising, newspapers averaged 38.08 per cent advertising.

(*b*) The statement that magazines cost the Postoffice Department more per pound than newspapers is easily susceptible of final disproof from the department's own figures—the most extreme figures it has been able to bring forward in its attempts to prove a *case against the magazines*.

The Postoffice Department states that owing to the different average lengths of haul, it costs 5 cents to transport a pound of magazines and 2 cents to transport a pound of newspapers.

Admit that these figures, *often repeated in the department's reports*, are

correct. Let us see how the final cost of service for a pound of magazines looks beside the final cost of service to a pound of newspapers.

Besides the cost of transporting mail, figured of course by weight and length of haul, there are three huge factors of cost, apportioned according to the number of pieces of mail—rural free delivery, railway-mail service. and postoffice service (Postoffice Department pamphlet, "Cost of transporting and hauling the several classes of mail matter," 1910).

TRANSPORTATION COST OF MAGAZINES AND NEWSPAPERS.

By weighing carefully the representative magazine, every copy of a year's issue of 64 leading magazines, and by weighing 60 different classes of newspapers, daily and Sunday, the postal committee of the Periodical Publishers' Association has found that the magazine weighs, on the average, *12.3 ounces and the newspaper 3.92 ounces.*

The Postmaster General's report for 1909 furnishes the total pounds of second class mail—764,801,370—and the proportion of newspapers and magazines in this weight—55.73 per cent and 20.23 per cent, respectively.

This gives 154,719,317 pounds of magazines in the mails and 426,223,803 pounds of newspapers.

The cost of transporting these, by the Postoffice Department's figures, is 5 cents a pound for transporting magazines and 2 cents a pound for transporting newspapers, making $7,735,965.85 for hauling magazines and $8,524,476.06 for hauling newspapers.

THE HANDLING COST

But the department says specifically, in the pamphlet referred to above, that the handling cost it apportions according to the number of pieces, in three classifications of expense—the railway mail service, rural free delivery, and postoffice service. The total cost of these items charged against second-class matter is (Postmaster General's report, 1909), $39,818,583.86.

The total number of pieces of second-class mail handled was 3,695,594,448 (H. Doc. 910, "Weighing of the Mails.")

Newspapers, averaging 3.92 ounces each, and weighing in the mails altogether 426,223,803 pounds, furnished 1,740,000,000 pieces to handle (taking round millions, which would not affect the percentages), or 47.17 per cent of all second-class pieces.

The 154,719,317 pounds of magazines, weighing 12.3 ounces each, furnished 201,260,000 pieces to handle, or 5.44 per cent of all second-class pieces.

Figuring these piece percentages on $39.818,583,86, the expense which the department says should be apportioned according to the number of pieces, *and which it does so apportion*, we have the handling cost on the 154,719,317 pounds of magazines $2,166,139.96, or 1.4 cents per pound.

The newspaper-handling cost would be 55.73 per cent of $39.818,583.86, or $28,782,425.10, which, divided by the total of newspaper pounds, gives us the handling cost of a pound of *newspapers 6.75 cents.*

THE NET RESULT.

So, using the department's own figures and methods of figuring, we have the

cost of hauling and handling magazines, 5 cents plus 1.4 cents, or 6.4 cents; the cost of hauling and handling newspapers, 2 cents plus 6.75 cents, or 8.75 cents.

This shows that without going into the miscellaneous expenditures at all, which would slightly further increase the cost of newspapers as compared with magazines, the department's own figures show that it is losing on the fundamental operations of hauling and handling 7.75 cents a pound on 426,223,803 pounds of newspapers, or $33,032,844.73, as against losing 5.4 cents a pound on 154,719,317 pounds of magazines, or $8,354,843.11.

With a loss, according to its own figures, over 400 per cent as great on newspapers as on magazines, the department goes to the magazines, of scarcely one-third the weight of newspapers, and with not one-twentieth the financial ability to pay such a new tax, to meet the whole burden of its futile and confiscatory attempt to reduce the deficit.

Furthermore, the advertising in magazines, which the department proposes to tax out of existence, is the very national mail-order advertising that produces the profitable revenue, as against the local announcements in the newspapers of the class of page department-store advertisements, etc., which do not call for answers through the mails under first-class postage (see Exhibit F).

And, still further, the modern newspaper of large circulation is more of a magazine, as distinguished from a paper chiefly devoted to disseminating news and intelligence and discussion of public affairs, than the modern magazine. Compare the "magazine sections" of the large newspapers (and most of the balance of their Sunday issues), with publications like the Review of Reviews, World's Work, Current Literature, Literary Digest, Collier's Weekly, or even with Everybody's, the American, the Cosmopolitan and McClure's, to see the obvious truth of this statement.

I have marked the fourth from last paragraph of the publishers' "Exhibit C" to be set in italics. I did so for fear the hurried reader might gather a wrong impression from its wording. The publishers do not mean to say that it costs the government 7.75 cents a pound to carry and handle newspapers, nor 5.4 cents a pound to carry and handle magazines. It is a *known fact* that both the newspapers and the magazines *can be carried and handled* by the government at a profit at $20.00 a ton—at the cent-a-pound rate. Mr. Hitchcock asserted in the official brochure to which the publishers are here making reply, I take it, that second-class mail hauling and handling costs 9.23 cents a pound. In this "Exhibit C," the publishers are proving that, *even if his absurd claim as to cost were true*, his method of apportioning that cost between newspapers and other periodicals is grossly unfair, as well as ridiculously wrong mathematically.

Then Mr. Hitchcock, or his department, suggests that the magazines meet the added charge put upon them for haul and handling by

increasing their sale price. That is, let the five, ten or fifteen-cent weeklies ring up five cents more per copy on subscribed and news stand prices—*make the readers pay it.* Let the monthlies do likewise.

That suggestion carries a sort of familiar resonance. "Make the rate (tariff) what the traffic will stand."

Ever hear of it? If you have not, then you must have arrived as a mission child in the Chinese or Hindoostanese "field of effort," and have lived there until the week before last.

Ring up the revenues and make the dear people pay it in added purchase price!

The people have a few dollars stored away in savings accounts or stockings, and if they want a thing they will broach their hoardings. They have the money. We *want* it.

One of the surest and easiest ways to get it is to *make them pay more for what they consider essentials* to their subsistence, to the comforts and the pleasures of their lives. They have been buying some splendid monthly periodicals at twelve and a half cents to fifteen cents. If they want them, why not make 'em pay twenty or twenty-five cents?

Yes, why not? It's the people, and—well—

"To hell with the people."

For four decades or more of our history, that "official" opinion of the "dear people" has delivered the goods. The Congress, or certain "fixed" members of it, told us that we needed, in order to be entirely prosperous and happy, a tariff on "raw" wool, "raw" cotton, "raw" hides, "raw" sugar and several other "raws," assuring us that such action would greatly inure to our benefit.

They *lied,* of course. But it took us fool people a generation or more to find out that fact. In that generation, the liars gathered multiplied millions of unearned wealth and passed it into the hands of "innocent holders," most of whom, if our court news columns are correct, have been spending it to get away from the trousered or the skirted heirs they married.

The point, however, I desire to make here is that while this varied and various "raw" talk was being ladled to us—and most of us ordering a second serving—our patriotic friends in positions of legislative authority, and our commercial and business "friends" who

steered the "raw" talk, had "cornered" all the home-grown raw and were *selling us the manufactured product at two prices.*

But this is aside. I inject it here merely to illustrate how easily and *continuously* we fool people are fooled.

Postmaster General Hitchcock's prattle about the publishers recouping themselves by lifting the price on us is of a kind with all the other "raw" talk which has looted us for forty or more years.

We buy a *better* periodical—say a monthly—for fifteen cents today than we got for fifty cents thirty years ago.

Not only that: The fifteen-center tells us of our *wrongs*, of how we were and are *wronged* and of how we may right the *wrongs*. The fifty-center of thirty years ago told us largely of things which entertained us—things historically, geographically, geologically, astronomically, psychically or similarly informative and instructive. They told us little or nothing of how we were misgoverned—of how *misgovernment* saps and loots and *degenerates* a people. That function of periodical *education* was left largely to the five, ten and fifteen-centers of the present day—periodicals *of price within reach of limited means and of a large, rapidly growing desire to know.*

See the point? "No"? Well, then don't go to arguing.

If you do not see the point, just sit up and shake yourself loose a little.

"A little wisdom is a dangerous thing"; "For much wisdom is much grief," and similar old saws which truth-perverters glossed into sacred or classic texts. The people are gathering "wisdom" from these low-priced, carefully-written, independent periodicals—periodicals which tell the "raw" truth. It is dangerous. They will hurt themselves. We vested-interests people and "innocent holders" must set up some hurdles; must keep the dear, *earning* people from learning too much—from learning what we *know*. Their chief source of enlightenment are the cheap, attractive, instructive, independent periodicals. Our first act should be to cut down—or cut out—this source of supply.

Then the dear people will come back and read what we *hire* written for them, and then—

Well, then the dear earners of dollars for us will not "learn wisdom" enough to hurt them or—*us.*

But, getting back to Mr. Hitchcock's reported suggestion, in

effect, to advance the subscription or selling price of the magazines and others of the "few" periodicals that would be affected by his proposed "rider" legislation. I shall call attention to but one basic fact which his suggestion covers—intendedly or not, I know not.

To me, it appears better to do this by a few direct statements.

1. An advance of two or five cents a pound on the people's subsistence supplies—meats, vegetables, etc.—or on a yard of textile fabric they must have to cover or shelter their nakedness, *will* be met by them as long as they can dig up, or dig out, the funds to buy.

2. A corresponding advance in the price of some desired, or even needed, article which is not *absolutely necessary to subsist, clothe or shelter them* will induce them to hesitate before purchasing—will often lead to an exercise of self-denial which refuses to make the purchase—refuses, not because they do not *want* the article, but because they cannot afford it by reason of pressing *subsistence needs.*

That these rules of domestic economy apply to the sale and circulation of periodicals was quite conclusively shown to Mr. Hitchcock by the publishers. Senator Owens adverts to this point as follows:

"It has been suggested that the magazines could collect the additional cost imposed on them by *raising the price* of their magazines."

He then quotes "Exhibit D" of the publishers in reply:

It has been shown (Exhibit A) from the original books of account of the chief magazine properties that the measure providing for a new postal rate of 4 cents a pound on all magazine sheets on which advertising is printed would wipe out the magazine industry—would require more money than the publishers make.

Could not the burden be passed on to advertisers or subscribers, or to both?

WHY ADVERTISERS WOULD NOT TAKE THE BURDEN.

Magazine advertisers buy space at so much a thousand circulation. The magazine is required to state its circulation and show that the rate charged per line is fair. Some advertisers go so far as to insist on contracts which provide that if the circulation during the life of the contract falls below the guaranteed figures they will receive a pro rata rebate from the publisher.

In view of the small net profits of the industry—it is shown in Exhibit A that the combined final profits of the five leading standard magazines of America are less than one-tenth of their total advertising income—it is clear that the publisher must be trying always to get as large a rate as possible for the advertising space he sells, and it is absolutely true that he has already got this rate up to the very maximum the traffic will bear.

Advertisers would not think of paying more than they are now paying for

the same service. Some of them would use circulars under the third-class postal rate, *which the Postmaster General says is unprofitable to his department.* Most advertisers would simply find this market for their wares gone, and the thousands of people—artists, clerks, traveling men—engaged in the business of magazine advertising would lose their means of livelihood.

There is no possible hope that the advertiser will pay the bill.

WOULD THE SUBSCRIBER PAY THE INCREASED POSTAL RATE?

The 4 cents a pound rate on advertising would require an advance of approximately *50 per cent* in subscription prices if the publisher is to recoup himself by raising the cost of living to the public in its consumption of magazines.

Would the public pay 50 per cent more for the same article?

The question is answered eloquently and finally by the subscription records of the magazines that were forced to increase their rates on Canadian subscriptions when Canada enforced a 4-cent rate on American periodicals. As the discriminatory rate was later withdrawn in certain cases, we have a complete cycle of record and proof. First, the Canadian subscription list before the increase; second, the Canadian subscription list after the increased postal rate and increased subscription price to the Canadian public; third, the Canadian subscription list after the postal rate and the subscription price to the public had been restored to the original status.

HERE IS THE RECORD OF THE REVIEW OF REVIEWS.

In June, 1907, the Review of Reviews began to pay 4 cents a pound postage on Canadian subscriptions, instead of 1 cent, and was forced to raise its Canadian subscription price from $3 to $3.50 a year.

Its Canadian yearly subscribers in July, 1907, numbered 2,973.

At once the subscription list began to fall off, and continued to do so steadily until in January, 1910, it had come down to 904 names.

Early in 1910 the Review of Reviews was readmitted into the Canadian postoffice at 1 cent a pound, its subscription was reduced to the old figure of $3, and the Canadian list quickly "came back," having reached already in February, 1911, the figure of 2,690 annual subscribers.

Below follows the detailed record, eloquent of what would happen if the prices of popular American magazines were increased 50 per cent to the public. In this Canadian incident the price of the Review of Reviews was increased only 16 2-3 per cent and the circulation fell off 69 per cent.

REVIEW OF REVIEWS—CANADIAN SUBSCRIBERS.

June, 1907, began to pay extra postage	2,840	January, 1908	1,536
July, 1907	2,973	February, 1908	1,330
August, 1907	2,921	March, 1908	1,170
September, 1907	2,875	April, 1908	1,350
October, 1907	2,761	May, 1908	1,300
November, 1907	2,604	June, 1908	1,363
December, 1907	2,260	July, 1908	1,360
		August, 1908	1,407

September, 1908.....1,348	July, 1909.....1,369
October, 1908.....1,357	August, 1909.....1,371
November, 1908.....1,381	September, 1909.....1,382
December, 1908.....1,299	October, 1909.....1,237
January, 1909.....1,095	November, 1909.....1,278
February, 1909.....1,163	December, 1909.....1,227
March, 1909.....1,263	*January, 1910*..... *904*
April, 1909.....1,321	February, 1910..... 974
May, 1909.....1,355	March, 1910.....1,129
June, 1909.....1,353	February, 1911.....2,690

The next exhibit ("Exhibit E") of the publishers shows quite conclusively "that it would be ruinous to them to raise the rates in the manner proposed," and Senator Owen presents their plea.

I am going to reprint here their plea as presented in "Exhibit E," but in doing so The Man on the Ladder desires to remark that the argument, as it has been megaphoned into our ears for the past three or four decades, that an increase of tax rate (whatever the nature of the tax), or a reduction of the tariff or selling rate would be "ruinous," does not cut much kindling in his intellectual woodshed. It has been entirely a too common yodle either to interest or to instruct any intelligent man who has been watching the play and listening to the concert for forty years. This "ruinous" talk has been out of the cut glass, Louis XVI, Dore, Dolesche and other high-art classes ever since Mrs. Vanderbilt, as was alleged, discovered that Chauncey M. Depew was merely her husband's servant, just as was her coachman.

If there is a congressional murmur or a legislative growl about cutting down a rail rate, the rail men immediately set the welkin a-ring with a howl about "ruin." If someone rises with vocal noise enough to be heard in protest against paying 29 cents a pound for Belteschazzar's "nut-fed," "sugar-cured," "embalmed" hams and insists that they should be on the market everywhere at not to exceed 23 cents, Bel. and his cohorts will immediately curdle all the milk in the country with a noise about ruin! *ruin!* RUIN!

If some statesman rises in his place and offers an amendment reducing the tariff on "K," or cotton, or sugar; or providing that the government shall build two instead of four "first-class" battleships, the bugles are all turned loose tooting "ruin" for the "wool," the "cotton," the "shipbuilding" or other industry affected, as the case may be, and "*ruin*" will be spread and splattered in printers' ink all

over the country. No, your Man on the Ladder does not have much respect for this "ruin" talk, as it is usually "stumped" and "space-written" for us commoners in the industrial walks of life and in its marts of trade. But when he hears that warning sounded by men engaged in a business industry with which he himself is fairly familiar —a business he himself has several times had to put forth strenuous effort to "lighter" over financial shoals or "spar-off" monetary reefs— when it comes to talk of "ruin" among men engaged in the business of publishing periodical literature in this country, why, then, he gets down off the ladder and *listens*.

There are two special and specific reasons why *every* commoner— every *earner*—should listen to the publishers' arguments in proof that Mr. Hitchcock's proposal means ruin to many of them—some of *even the strongest and best.*

1. An increase of *three hundred per cent*, as the Postmaster General sought in his "rider" (though somewhat covertly), in the carriage cost and delivery (rail or other) of its product would *ruin* almost any established business there is in this country, if such increase was forced in the limited time named in that "rider." A suddenly enforced increase of even one hundred per cent in the haulage and delivery cost of product would put hundreds of our most serviceable industries on the financial rocks.

2. A business man or a business industry that has been giving us *thirty cents in manufacturing cost* for our *fifteen cents in cash* is certainly deserving not only of a hearing but of a vigorous, robust, militant support.

That the periodical publishers of this country are doing just that thing—*have been doing it for the past twelve to twenty years*—no honest periodical reader who is at all familiar with the cost of production will attempt to deny.

That is sufficient reason for presenting here the "Exhibit E" of the publishers:

We point to the history of deficits in the Postoffice Department since 1879, when the pound rate of payment was established for second-class matter. The question at the head of this exhibit is answered by the successive changes in the size of the deficit, compared with coincident changes in the volume of second-class mail.

It will be seen that the largest percentage of deficit in the past 40 years occurred *before* the pound rate of 2 cents was, in 1879, established for second-

class matter; that the percentage of deficit decreased with great rapidity as soon as second-class matter, under the stimulus of the new pound rate, began to increase rapidly; that this decrease in the deficit *was accelerated after the second-class rate was lowered, in 1885*, to the *present rate of 1 cent a pound, and after second-class matter had increased beyond any figure hitherto dreamed of*; that the decrease in percentage of deficit continued, coincidently with the increase in volume of second-class mail, until 1902, when large appropriations began for rural free delivery service. Then deficits began to grow as the specified loss on rural free delivery grew. In the last fiscal year, 1910, when the rural free delivery loss remained nearly stationary, as against 1909, the deficit decreased by approximately $11,500,000 to the lowest percentage but one in 27 years, although in this same year second-class matter made *the largest absolute gain ever known*, amounting to 98,000,000 pounds more than in 1909.

We submit that so many coincidences, taken over a whole generation, and observed in relation to *the enormous production of profitable first-class postage through magazine advertising, raise* the strongest presumption that *the larger the volume of second-class mail becomes the more fully the postoffice plant is worked to its capacity in carrying newspapers and periodicals and the first and third class mail their advertising engenders, and* the smaller becomes the deficit, other things being equal.

The other thing that is not equal is the new expenditures, unprofitable in the postoffice balance sheets for rural free delivery. According to the Postmaster General's report there is in 1910 a surplus of over $23,000,000 outside the specific loss on rural free delivery. A chief reason why the Postoffice Department has this $29,000,000 to lose on rural free delivery is that periodical advertising, and the enormous postal business it generates, has long ago extinguished the deficit and given the huge surplus to spend for a *beneficent* but financially unprofitable purpose.

But one thing is proved beyond any shadow of doubt by this history of decreasing postoffice deficits and coincident increases in second-class mail, and that is, *that the deficit can be reduced with an ever-increasing body of second-class mail, carried at one cent a pound.* It can be, because the record shows it was.

Below is a fuller history of postoffice deficits and second-class increases:

THE FACTS AS TO DEFICITS AND SECOND-CLASS MATTER.

The annual reports of the Postmaster General are the authority for the following figures:

In the year 1870 there was a deficit in the operations of the United States Postoffice Department of 21.4 per cent of its turnover.

In 1879 there was passed the act that put second-class matter on a pound-payment basis. An immediate increase in second-class matter began.

In 1880 there was a deficit in the postoffice operations of only 9.6 per cent of its business.

In 1885 was passed the law that made the rate for second-class matter 1 cent a pound, which still further increased second-class mail. It trebled in the decade preceding 1890.

In 1890 the deficit in the operations of the Postoffice Department was 8.8 per cent.

The next decade brought a much larger increase in second-class matter than any previous 10 years—from 174,053,910 pounds in 1890 to 382,538,999 pounds in 1900.

The deficit in the postoffice operations in the year 1900 was 5.2 per cent of its business.

In the prosperous years following 1900 the increase of second-class matter was stupendous; from 382, 538,999 pounds in 1900 to 488,246,903 pounds in 1902, only two years. *The increase of advertising in the magazines was even greater than the increase in second-class matter.* These years brought the great forward movement in *the production of low priced but well edited magazines*, made possible by large advertising incomes, and also in the increase in circulation by *extensive combination book offers*, and so-called "clubbing" arrangements, by which the subscriber could purchase three or more magazines together at a lower price than the aggregate of their list prices.

In 1901 there was a deficit in the postoffice operations of only *3.5 per cent of its business.*

In 1902 the deficit for the postoffice operations was *2.4 per cent*, the smallest percentage of deficit in 18 years and the smallest but two in 40 years.

RURAL FREE DELIVERY STEPS IN.

But in this year is seen for the first time, in important proportions, a new item of expense, $4,000,000 for rural free delivery. Our government had *wisely and beneficently* extended the service of the postoffice to farmers in isolated communities, regardless of the expense of so doing. The report of the Postmaster General for 1902 says: "It will be seen that had it not been for the large expenditure on account of rural free delivery, *the receipts would have exceeded the expenditures by upward of $1,000,000.*"

It will be clear, from these figures, which are taken from the reports of the Postmaster General, that beginning with the advent of the second-class pound-rate system, *the deficit of the postoffice has steadily declined*, the rate of decrease being always coincident with the expansion of circulation and advertising of periodicals, until in 1902 there was a substantial surplus, which the government *wisely saw fit to use for a purpose not related to the needs of magazines and periodicals or to their expansion.*

A REAL SURPLUS OF OVER $74,000,000 IN NINE YEARS.

Since 1902 there has *always been a surplus* in the operations of the Postoffice Department, outside of the money the Government has seen fit to expend for rural free delivery, (wisely, and otherwise wastefully.) In the present year, 1910, the report of the Postmaster General shows a *surplus* of over $23,000,000 outside the loss on the rural free delivery service of $29,000,000. The years 1902 to 1910 have each shown a surplus in the postoffice profit and loss account, the nine years aggregating over $74,000,000, outside the actual loss on the rural free delivery system.

How enormously second-class mail aids the department's finances by origin-

ating profitable first-class postage can be appreciated by referring to the specific examples in Exhibit F.

It should be borne in mind that the turning of large deficits into actual surpluses, which has come coincidently with the expansion of second-class mail, of circulation pushing, and of advertising, has come in *spite of an enormous expansion in governmental mail, carried free, and Congressional mail, franked, which has not been credited to the postoffice at all in calculating the actual surplus shown above.*

Next the publishers come forward with "Exhibit F." Their "Exhibit F" is not merely an "exhibit." It is an *exhibition*, with a three-ring circus, a menagerie and moving pictures as a "side." Candidly, I am of the opinion that it was this "Exhibit F" of the publishers which induced our friend, the Postmaster General, to loosen the clutch on his mental gear.

Of course, it is possible Mr. Hitchcock did not, nor has not, read this "F" of the publishers. If such a misfortune has cast its shadow across his promising career, I regret it.

"Why?"

Well, to anyone anxiously interested in dissipating, or removing, the federal postoffice "deficit," the reading of the publishers' "F" should be most entertaining.

That F of the publishers most certainly presents some facts which any man, unless he is a fool, as some descriptive artist has appropriately put it, in an "elaborate, broad, beautiful and comprehensive sense," must appreciate.

Senator Owen introduced "Exhibit F" of the publishers in necessarily, and of course, dignified form—a form in keeping with the exalted position he holds and worthily fills. Your uncle on the ladder, however, is not, as you may possibly have already discovered, restrained by any code *de luxe* as to his forms of speech or as to their *edge*.

The publishers in their Exhibit "F" show and, as I have said, *show conclusively*, that the advertising pages in periodicals (newspapers or other), are *the pages which support—which pay the bills*—of the Postoffice Department of these United States.

I would ask the reader to keep that last statement in mind, for, in spite of the Postmaster General's voluminous, cushion-tired conversation and automatic comptometer figuring, the publishers furnish ample evidence in proof that the statement just made is safe and away inside the truth.

Oh, yes, of course, I remember that Solomon or some other wise man of ancient times has said "all men are liars." That was possibly, even probably, true of the men of his day. It may also be admitted without prejudice, I trust, to either party to this case, that there is a numerous body of trousered liars scattered in and along the various walks of life even at this late date. So, there appears to be no valid reason nor grounds to question the veracity of Solomon, or whoever the ancient witness was, when he testified, to the best of his knowledge and belief, that all men are prevaricators. However, I desire in this connection to have the reader understand that The Man on the Ladder is of the opinion there are a few men on earth now, whatever the condition and proclivities of their remote ancestors may have been, who have an ingrown desire or predisposition to tell the truth.

This view of the genus *homo* is warranted, if indeed not supported, by the plainly and frequently observed fact that in almost every recorded instance where the truth serves a purpose better than a lie, the truth gets into the testimony.

The Man on the Ladder also believes there are men—bunches of men—in this our day who will tell us the truth *whether they can afford to do so or not.*

I have given this "aside," if the reader will kindly so consider it, to the end of calling to his attention two points, namely:

First, There are probably just as many truth tellers, likewise *liars*, in the world today as there were in olden times.

Second, There is probably just as high a moral code—just as high a standard and practice of veracity—among the periodical publishers of this country as there is among officials of the Federal Postoffice Department.

I am of opinion that few, indeed, among my readers will be found to question the fairness of that statement. Especially will they not question it when they take into consideration the fact *that pages of the publishers' testimony were under oath, or jurat.*

CHAPTER VII.

POSTAL REVENUES FROM ADVERTISING.

Now, the Postmaster General's whole talk—his whole word-splutter—was, it seems, to create an impression that the government was losing millions annually *because of the large amount of advertising matter distributed by magazines and other periodicals.*

On the other hand, the publishers in their "Exhibit F," and elsewhere, try to show, and in the writer's opinion *do* show quite conclusively and dependably, that the excess of expenditure over receipts in the Postoffice Department would be *two to four times greater than it now is were it not for the first, third and fourth class revenues resulting directly from those advertising pages in our periodical literature.*

Before giving these publishers a chance to tell the truth, as presented in their "Exhibit F," I desire to make a few remarks about the point under consideration—the profits to the *government from periodical advertising.*

The publishers present the evidence of their counting-rooms—the *inside* testimony. I desire to present some outside testimony.

I may present it in an awkward, raw way, but I have a conceit that the "jury" will give it consideration.

Three months ago, there was a "party at our house." No, it was not a bridge party. Mrs. M. On The L. has, in my visual range, I can here assure you, many commendable virtues—meritorious qualities and qualifications. Likewise, she has some faults. The latter I cannot, if the dove of peace is to continue perching on our domicile lodge pole, mention here. I may, however, say with entire safety, that "bridge" and alleged similar feminine amusements are not among them.

The party to which I advert was a "tea." The guests were six,—Mrs. M. On The L. serving. The guests not only had "the run" of the house, but they *took possession of it.* I stuck to my "den" until it was invaded and then—well, then, my dear trousered reader, I did precisely what you would have done. I backed off—I surrendered.

"What was the result?"

In this particular case, the chief feature of the result was that these seven women, *in less than ten minutes*, had appropriated every copy of all the latest, and some a month or more old, of the magazines and weeklies about my work-shop. They also annexed me. I "just had to go downstairs and have a cup of tea with them." Although I am not entrancingly fond of tea, I did exactly what you would have done. I went. Necessarily, I had to be good. I was good. I said—as near as I knew how—the things that were proper to say and as near the proper time as I could. That is, I said little and listened much.

It is of what I heard—and afterward learned—I wish here to speak. I wish to speak of it because it fits like a glove to the point the publishers make in their "Exhibit F," which is to follow.

While the hostess was preparing and spreading luncheon—a necessary concomitant of all "teas," other than mentioned in novels—the six guests scanned the magazines and talked magazines. From their conversation it appeared that five of the six took, either by subscription or news-stand purchase, one or two monthly magazines "regularly." Whether the ladies *read* them or not was not made clear to me. One of them did make mention of two "splendid stories" —"The Ne'er do Well," by Rex Beach, and, at the time of the "tea," appearing, in serial, in one of the monthlies. The other was a short story entitled "The Quitters," which, the lady stated, had appeared in one of the magazines some time previous.

Now, so far as I can recall, the reference made by this one of the six ladies was the only mention made of the "literary" features of the magazines they had read or to such features of those they were examining. There was considerable talk and attention given to the body illustrations.

In calling such stories as the lady mentioned "literary" I presume apologies are due the Penrose-Overstreet Commission. While both the stories are "brand-new," are well written, each teaching a lesson—have, in short, all the essential elements of "currency and periodicity"—yet that commission, in the anxious interest it displayed to secure "a general exclusion act" against fiction in periodicals, would, possibly, see nothing of literary merit in either of the stories the lady mentioned.

I shall, however, offer no apologies to the commission for classing

the two stories as literature and of exemplary currency. On a previous page I have given my reasons for differing from the commission on its strictures on current fiction as run in our standard monthlies and weeklies. The lady's expressed opinion of the two stories is another reason for differing from that expressed by the commission. In my judgment, the lady who spoke has a broader, juster and far more comprehending knowledge of literature—of its merits and demerits, whether fiction, historical, biographical or classic—than has any member of that commission.

But to return to our tea party. Those six ladies scanned and thumbed through my magazines. As said, there was comparatively little talk or comment about the body-matter of the periodicals. But those women—all married, five of them mothers, two of them (three, counting the hostess), grandmothers—gave fully *three-fourths of their time to the advertising pages.*

But that is not all. Their scanning of the advertising pages of those periodicals developed some business action. The business talk started when one lady called attention to the "ad" of a military school in a town in Wisconsin, "where Thomas attends," Thomas being her son. It developed that the lady seated next to her had a son Charles whom it was desired to start in some preparatory school in the fall. Another matron had a daughter she desired to have take a course at some school for girls. Both of the ladies with candidates for preparatory courses, however, were of the opinion that all the "good schools" appeared to be in the East and each would prefer to send her son or daughter to some school nearer home. To this opinion the mother of the boy attending the Wisconsin school earnestly protested.

"We have just as good preparatory schools, colleges and universities in the West as they have in the East," she declared. "My boy is doing splendidly at the ————————, Wisconsin. He has been there two terms now. If you don't want to send Charles to a military school, there are a score or more of excellent schools for either boys or girls in the West and South—some of them right near us, too. Just look here!"——

And then began a scurrying through the school "ad" pages of three or four of the magazines for the names and locations of perparatory schools. The advertisements of a number were found.

"Take the names and addresses and write all of them for their catalogues or prospectuses or pamphlets, giving the courses of study that pupils may take, the advantages they offer and other information. That's what I did before deciding where to send Thomas. I wrote twenty-two different military schools in the country and got a prompt reply from each of them. In fact some of them wrote me *four or five times*, besides sending their little printed books which gave their courses of study and set forth the special advantages their students enjoyed."

Of course, it was Thomas' mother who spoke. Her suggestion, however, gripped the rails at once. The two matrons with children to place in preparatory schools asked for pencil and paper. I relieved them of the immediate labor of writing out their lists, by gallantly inviting them to take home with them such of the magazines as they thought would serve their purpose, and, as they were near neighbors, they could scan them at their leisure and address directly from the advertisements. I lost three of my favorite magazines on my tender.

"This has no bearing on the point!" Eh? Well, let us see about that.

Of course, I do not know what the mothers of that son and daughter who were to be started in preparatory school work did. It is safe to presume however, that they adopted the plan suggested by Thomas' mother. We know what she did. At any rate we have her own statement of the course she pursued, and there can be advanced no valid reason for doubting her word. Besides, as she is our "next-door" neighbor, I have made, within the month, special inquiry of her as to what she did. I found that she had kept the catalogues of the schools to which she had written and had carefully "filed" in a *twined package*, as a careful housekeeper usually files things, every letter she had received from the schools.

More than that: She wrote nine of the schools a second letter and three of them, she wrote *four times*. To the Wisconsin school to which she finally intrusted the training and instruction of her son she wrote *six times*.

Now let us see what revenue the federal postal fund *actually* received from this one mother in her efforts to place her boy in a good, safe school.

First the mother herself wrote forty-five letters. On these the Postoffice Department collected 90 cents.

Second, her "twine file" shows that, all told, she had received from the twenty-two schools written to, a total of 163 letters. On these the government collected $3.26.

Third, the catalogues sent her were of various sizes. Their carriage charge, at third-class rates, I think would range from two to six cents or more. Putting the average at only three cents, which in my judgment is low, the government collected for their carriage 66 cents.

Fourth, thirteen of the schools, either not knowing her boy had been matriculated or thinking she might have other boys "comin' on" to preparatory school age, sent her their catalogues for the following year—another 39 cents.

Add those four items and you will readily ascertain that the government received $5.21 in revenue from the efforts of Thomas' mother to select a school for him—a school that would give him military training and discipline, as well as academic instruction in selected studies.

Her course of action was prompted entirely by the school advertisements she saw in two magazines.

How many other mothers and fathers were influenced to similar action by the three or four school "ad" pages in those two magazines I do not know. There must, however, have been many, I take it, otherwise the schools and preparatory colleges would not persist in advertising so extensively, year after year, during the summer months, in our high-class monthly and weekly periodicals.

The two magazines from which Thomas' mother got her school address weighed a little under a pound each. If they reached her by mail, the government got only about two cents for their carriage and delivery, which was ample pay—$20.00 a ton—for the service. But supposing Mr. Hitchcock's wild figures were correct—that it cost the government 18 cents to deliver those two magazines to that mother—a rate of $180.00 per ton. Of course, no man could so suppose unless he stood on his head in one corner of a room and figured results as the square of the distance at which things appeared to him, or chanced to be one of those "blessed" mortals prenatally endowed with what may be called mental strabismus. But for the

sake of the argument, let us suppose that it did cost the government 18 cents to deliver those two magazines to Thomas' mother; let us admit that that falsehood is fact, that that foolishness is sense. Then what?

A magazine weighing one pound and printed on the grade of paper used by our high-class periodicals will count 250 or more pages. Four pages of school "ads," therefore, would count for about *one-fourth of one ounce.*

Even at Mr. Hitchcock's absurd figure of nine cents a pound, the cost to the government of carrying those four pages of school advertisements in each of two monthly magazines to the mother of Thomas *was less than four-fifths of one cent.*

Do you grasp the point?

Remember, Mr. Hitchcock has separated himself from much talk to show to a doubting public that it is *the advertising pages of periodicals which over-burden the postal service and are responsible, largely, for the alleged "deficit."*

I say "alleged" deficit. I say so, because it is not, and never was, a deficit *de facto.* I shall later give my reasons for so saying—shall show that this much talked of deficit in the Postoffice Department's revenues is *quasi* only—a mere matter of accounting, and bad accounting at that.

But here we are considering the cost to the government of carrying and delivering *advertising pages* to the reading public of this Nation. Especially are we considering the transaction between the government and the mother of Thomas—a transaction induced and promoted by eight pages of advertising—four pages in each of two magazines.

As just stated, it cost the government *less than four-fifths of one cent,* even if we rate the carriage and delivery cost at Postmaster General Hitchcock's absurd figure of nine cents a pound, to deliver those eight pages of school advertisement to Thomas' mother. Even the delivery of the *complete* magazines which printed those advertising pages would, at Mr. Hitchcock's own figures, cost the government only about 18 cents. Let's admit it all—the worst of it, and the worst possible construction that the worst will stand. Then how does the government stand in relation to the resultant transaction—*the transaction induced by those eight pages of advertising?*

It cost the government 18 cents, according to Mr. Hitchcock's method of hurdle estimating, to deliver those two magazines to Thomas' mother. Well, let it go at that. The government is out, then, 16 cents, the publisher having paid in 2 cents at the present pound rate for mail carriage and delivery.

On the other hand, those two magazines each carried four pages of school "ads." Those "ads" start Thomas' mother into a canvass of the schools by correspondence. The result of that canvass, as previously shown, turned into the government's treasury *a gross revenue of* $5.21 for postage stamps to cover the first and third-class business resulting.

The government, then, is $5.05 ahead so far as *gross* receipts and *gross* revenues are concerned, and it is ahead that sum, in the specific transaction under consideration, *solely and only because of those eight pages of school advertisements printed in the two magazines.*

Is that not a fair—a just—statement?

As Mr. Hitchcock states that there is a large profit to the government for the stamps sold and as that $5.21 was *all for stamps*, then those eight pages of advertisements and Thomas' mother must have turned into the postal fund a handsome *net* profit on the service rendered by the Postoffice Department.

Now, I desire to return to our "tea." Two other "business" actions developed which serve to prove the statement made on a previous page, namely: *It is the advertising pages of our periodicals which yield the largest revenue to the government for the postal service it renders.*

The first of the two postal revenue-producers came up as we sat at luncheon. Each of the ladies had a magazine or weekly in hand. There was as much talking as eating in progress, or more. I presume that is the proper procedure or practice at "tea" luncheons. I am not a competent authority on "tea" proprieties.

One of the ladies "had the floor," so to speak, and expatiated eloquently and at length on the merits of an electrically heated flat-iron or sad-iron, an advertisement of which she had found in the magazine she was scanning—a cloth smoother she had had in use for some three months. Three of the other matrons were wired—that is, their homes were electrically lighted. The others were getting their

domiciliary illumination from what is vulgarly designated as the "Chicago Gas Trust," at 85 cents per.

"Results?" Three of the assembled party desired to write for "full particulars" about that flat-iron at once.

My boss furnished paper, envelopes, pens and ink. My assigned duty in this business transaction was both simple and secondary. The boss *ordered* me to go over to the drug store, buy the stamps and mail those three letters.

I did so.

The government got six cents postal revenue from *me* on that sad-iron "ad." What further revenue was gleaned from the correspondence between the three ladies and the flat-iron manufacturer I know not.

It took me a long time to reach that drug-store—a short block away—buy the stamps, "lick 'em," stick them on the envelopes and drop those three letters into the mail-box just outside the druggist's door. At any rate, the ladies so informed me when I got back. They did it politely, kindly, but very *plainly*. Not wishing to scarify their feelings by admitting that I had purposely loitered because of an inherent or pre-natal dislike of teas, I did what I thought was the proper thing to do under the stress of impinging circumstances—I lied like a gentleman. I told the ladies that the druggist happened to be out of two-cent stamps and had sent out for them—sent to another drug store for them.

"How unfortunate!" exclaimed one of the party. "We want a lot more stamps. We have each written for a sample of these new biscuits. We have to enclose ten cents in stamps and the letters will have to be stamped. That's eighty-four cents in stamps and we want to get the letters into the mail tonight."

Then I was shown the advertisement of the desired "biscuits." In the good old summer time of our earthly residence, "when life and love were young," we called such mercantile pastry "crackers." Mother baked all the biscuits we then ate, or somebody else's mother baked them. Of course, sometimes Mary, Susie, Annie, Jane or another of the dear girls learned the trick and could "bake as good as mother." Then she baked the biscuits. And they *were* biscuits. Now, every *cracker* is a biscuit, and every biscuit one gets smells and tastes of the bakeshop where it was foundried.

But that is entirely aside from our subject. The "ad"—a full page—set forth the super-excellence of some recently invented or devised cracker—"biscuit," if you prefer so to call it. It was an attractively designed and well-written "ad." The advertiser offered to send a regular-size package of the "biscuits" to anyone on receipt of ten cents in stamps—"enough to cover the postage"—and the name of the grocer with whom the sender of the stamps traded. That, in brief, was the "ad" offer, and each of the ladies wanted those biscuits—my boss as anxious to sample them as any of the others. On a corner of the luncheon table in symmetrical, pyramidal array, was 84 cents in miscellaneous change.

Before it came my turn to speak, Mrs. M. On The L. gave me a scrutinizing look—a censorious look—a look that said, "I know where you have been," and took the floor. She did not rise in taking it either.

"Oh, he can get the stamps. Take that change and these letters. You can go to some other drug store and get the stamps. Put ten cents in stamps in each envelope and then seal and mail the letters."

That's the speech the boss made.

I should be ashamed to admit it, but I am not. There are limits to the endurance of even such a temperate-zone nature as that of the writer. The boss' speech reached the limit. My patriotism was set all awry. Even my earnest desire to reduce the "deficit" in the postal service was, for the moment, forgotten—was submerged.

I took the 84 cents those friendly ladies had pooled on "biscuits" and the seven unsealed letters, assuring them I would certainly find the stamps. I then went up to my den, unlocked a drawer of my desk, found the stamps, made the enclosures, stamped and sealed the envelopes, and then came down and passed out on my assigned errand. I got back just as the "party" was donning its hat to depart for its several homes, assured it that its orders had been carried out, and, by direction of the boss, escorted home one of its members who had some distance to walk.

Now, I think I did my whole duty to that tea-party, and *more* than my duty to reduce the postal "deficit."

I trust the "dear reader" will not have concluded or even thought that I am trying to be funny or humorous, nor even ludicrous. I have been writing of *actual* occurrences, and writing the *facts*, too, of

those occurrences, as nearly as I can recall them after an interval of *less than three months.* I introduce the *de facto* happenings at our "tea party" here because they *apply*—because they illustrate, they evidence, they *prove* that the advertising pages of our periodicals *are the pages which produce a large part, if indeed, not the larger part of our postal service revenues.*

But we must look after our "biscuits" a little further.

The seven women at that tea party spent 84 cents for stamps to get a sample of those crackers. Fourteen cents of these stamps went to cancellation on the letters they mailed. The other 70 cents went to cancellation on the cracker packages which the cracker inventor sent them—cancelled at the fourth-class rate—*cancelled at the postal carriage rate of sixteen cents a pound.*

Is that all? No it is not all. It is only the first link in a *postal revenue* producing chain.

The manufacturer of that cracker or biscuit, as you may choose to call it, wrote each of those seven ladies a neat letter of thanks, and neatly giving a further boost to the biscuit. I know this because I have seen the seven letters—all "stock form" letters.

That contributed 14 cents more in postage stamps for cancellation.

Three of the ladies heard from that cracker baker *four times.* Their grocers probably had not put the cracker in stock. My boss got a second letter from the baker.

That contributed 20 cents more in postage stamps for cancellation.

The advertiser sent by mail to each of the seven grocers the ladies had named a sample package of the "biscuits" and a letter naming the local grocery jobber or jobbers through whom stock could be had, the jobber's price of it, etc.

That contributed 84 cents more in postage stamps for cancellation.

Nor is that all. My boss' grocer got three letters from that cracker baker and a visit from a salesman of a local jobber before he "stocked." If the grocers named by the other six ladies were similarly honored then the builder of those biscuits must have written the seven grocers whom the tea party ladies had named fourteen letters in addition to the first one.

That contributed 28 cents more in postage stamps for cancellation.

Now let us figure up—or down—how one tea party of seven (I was the working or "worked" member, so am not to be counted in), and a one page "ad" stands in account with the postal revenues.

The magazine carrying the cracker "ad" weighs about a pound. The single "ad" page cannot possibly weigh more than *three-fiftieths of one ounce.* To carry and deliver that one "ad" page the cost to the government, then, even at Mr. Hitchcock's extension-ladder rate of 9 cents a pound, would be about *one-thirtieth of one cent.*

But as we did in the case of the school advertisements previously mentioned, let's give our Postmaster General the whole "hullin' uv beans." Let us credit the government with Mr. Hitchcock's alleged cost of carrying that magazine to that tea party—nine cents.

Per contra, the government must give that "ad" page credit for producing stamp cancellations to the amount of $2.30.

Figure it out yourself and see if that is not the *actual* showing of the ledger on this account of the Postoffice Department with that one "ad" page and those seven tea party women.

That, I believe, is fair and sufficient evidence from the outside—from the field—in support of the facts which the publishers present in their "Exhibit F," and which I shall here reprint:

The astonishing record contained in (Exhibit E), of the absolutely unvarying coincidence of decreases in postoffice deficits with increases in second-class mail is square up against the Postmaster General's statements that the department loses 8.23 cents on every pound of second-class mail and loses over $60,000,000 a year as a whole, on second-class mail.

What is the explanation? How can the phenomenon of constantly decreasing deficits, coincident with increasing second-class mail, be reconciled? To be sure, the Postmaster General has been trying for two years to make out a case against the magazines, and nothing is better understood than that, *under orders*, he is using all the figures and the infinite opportunities of such a complex mass of figures as those of the postoffice, to make the case for the magazines as bad as possible. Of course, it does not cost the department 9.23 cents a pound for second-class matter; but also, of course, in all probability, the cost must be more than one-ninth Postmaster General Hitchcock's figures. Then why is it that *the more second-class matter there is mailed the more money the Postoffice Department has?*

The answer is that the advertising in the periodicals, the very advertising the Administration is trying to drive out of existence, *is far and away the most important creator of profitable first-class postage that exists.* That, furthermore,

the varied and constant efforts of publishers to extend the circulation of their periodicals by sending out tens of millions of circulars, *each making for a 2-cent reply*, and the great and complex business that has been built up around *the originating and handling of advertising* have made this national market for reputable wares—a market where the purchasing is done by mail with 2-cent stamps—the stamps that pay the Postoffice Department's bills and give it $23,000,000 a year to spend over and above receipts from rural free delivery, in advancing that splendid service for the country dweller.

There were published in 1909 in fifty American magazines 12,859,138 lines of advertising, for over 5,000 advertisers, who used over 25,000 different advertisements, and it is obviously impossible physically to tabulate complete results. But let us nail down certain specific examples of advertisements inserted in magazines, *and follow the record right through*, of the work they did for the postoffice, the expense they put the postoffice to, and the profit they brought it.

These score or more of specific instances tell the whole story. Read, especially, the first instance—the complete bookkeeping transaction of one magazine advertisement in account with the United States postoffice:

A MAGAZINE ADVERTISEMENT IN ACCOUNT WITH THE UNITED STATES POST OFFICE.

In the Saturday Evening Post of November 26, 1910, was published a 224-line advertisement of the Review of Reviews.

Three thousand seven hundred replies were received, 1,776 of them inclosing each 10 cents in first-class postage.

The paper on which this advertisement was printed weighed 0.132815 ounce. The half of it printed with the advertisement weighed 0.06640625 ounce.

One million seventy thousand copies of the Saturday Evening Post were sent through the United States mails, so that the postoffice transported 4,440.9 pounds of this advertisement. At 9.23 cents per pound—the pound cost of transporting and handling second-class matter given by the Postoffice Department—the total cost of giving the postoffice services to this advertisement was $409.90; postage paid at 1 cent a pound, $44.41; loss to postoffice, $365.49.

THE POSTOFFICE'S GROSS AND NET GAIN FROM FIRST-CLASS POSTAGE CREATED.

3,700 inquiries were received by the Review of Reviews.

3,700 2-cent stamps for inquiries	$74.00
3,700 acknowledgments under 2-cent stamp	74.00
Six follow-ups to 3,700 inquiries under 2-cent stamps	444.00
1,776 inquiries sent 10 cents in stamps	177.60
740 sales are made, each involving 12 bills and 12 remittances, under 2-cent stamp	355.00
The 3,700 names of inquiries will be circulated at least three times a year for five years, under 2-cent stamps (a practical certainty of twice as many circularizations)	1,110.00
Total gross direct sales of 2-cent stamps from advertisement	$2,234.60

Profit of 40 per cent, according to profit percentage of Postmaster General on first-class postage	$893.84
Direct loss in transporting and handling advertisement, cost figured at 0.23 cents a pound, income at 1 cent	365.49
Ultimate minimum net gain to postoffice in having carried this advertisement	$528.35

MORE SPECIFIC EXAMPLES OF PROFITABLE POSTAGE ORIGINATED BY MAGAZINE ADVERTISING.

Names of concerns are withheld here. The original documents on which these statements rest are in the possession of the postal committee of the Periodical Publishers' Association, 156 Fifth Avenue, New York City. These are only a few samples of hundreds that have come, and are printed to suggest the details of the methods by which national magazine advertising far more than pays its way when sent out through America at 1 cent a pound second-class postal rate.

"MR. E. W. HAZEN, *Advertising Director.*

"DEAR MR. HAZEN: During the year 1910 we paid the Postoffice Department for carrying our first, third and fourth class mail matter the sum of $496,749.88. We shipped during the year 1910, 1,717,514 packages. Of these 809,781 were sent by mail and 907,733 by express. All of these would have been sent by parcels post if the postal rates and regulations permitted. We paid the express companies for the transportation of the packages referred to above $347,392.30."

The above statement covers only mail matter sent out of this house. The figures given are accurate. Any statement of the number of pieces of mail matter which we receive would be approximate, but we can safely state that it was in excess of 4,500,000 pieces of first-class mail matter. This estimate is entirely conservative.

Here is another postal bill of one of the many great "mail order" magazine advertisers—a company which sells excellent clothing to women who can not come to the great cities and their department stores. The president of the company writes:

"As we are a mail-order concern, our business is derived entirely, either directly or indirectly, from our magazine advertising. During the year 1909 we paid the Postoffice Department for carrying our first, third and fourth class mail matter the sum of $433,242."

What an advertisement in one issue of one magazine did for another women's "wearing apparel" house is recorded in their books as follows:

The postage required to answer the 15,000 replies from the one-column insertion in the magazine, also to send the merchandise required by 2,000 of the inquirers, also to "follow up" other inquirers, etc., amounted to $5,460.

The government charge for carrying this advertisement through the second-class mails was $38.83.

That $5,460, by the way, did not include the several hundred dollars spent on postage by the inquirers themselves.

The president of a concern which publishes encyclopedias, natural histories,

classics, etc., investigated the relations with the postoffice of a recent page of his advertising inserted in a single magazine, and the correspondence which resulted.

The stamps and money orders bought by the inquirers and by the publishing company, as the result of the 4,000 answers to this one advertisement, amounted to $884.

The publishers paid the postoffice to carry that page, at second-class rate, $12.

Thus, even if it had not already been disproved that the second-class rate is insufficient, it would still have been mightily unfortunate for the department's business if that page advertisement had not appeared. A good business man would be willing to lose several times $12 in order to do $884 worth of business as profitable to himself as first-class mail is to the government.

Scores of apparently small advertisers are found in any issue of any popular magazine. They are just as good customers to the postoffice, in proportion, as the big concerns using columns or pages.

ONE INCH—$5,492 STAMPS A YEAR.

A modest 1-inch magazine advertisement is printed by a company, which reports that its yearly postage account from that cause is $5,132. Adding the approximate postage on the 1,500 letters a month sent to the company, the yearly total of postage created by this inconspicuous concern through the magazine is found to be $5,492.

ONE-HALF INCH—$590 A MONTH.

A half-inch magazine space is used each month by a certain electric manufacturing company in the Middle West, but its postage records show stamp purchases for a single month (November, 1909), resulting from that half-inch advertisement of $590

Two quarter-column announcements of a dress fabric, appealing to women, in a single magazine, brought 7,000 replies, involving postage stamps worth	$230 00
Pretty good business getters for the department? These "ads" Cost the publishers to mail, at second-class rates	19 40
Even better, in proportion, was a one-fifth column appeal to mothers in one issue of the same magazine It produced postage to the amount of	240 00
To carry the little advertisement at second-class rates the government charged	7 76
A single-column magazine "ad" of a Chicago clothing firm, with a number of retail stores over the country, brought 4,000 inquiries which, with the following up, etc, caused postage of	380 00
That column cost the publisher to mail, at second-class rates	38 67

The Woman's Home Companion sent a letter to the advertisers in its November issue, asking for a memorandum of the letter postage on the

inquiries from their November advertising and the answers to these inquiries. Seventy-five advertisers reported, with definite figures, an aggregate letter-postage expenditure of $3,385 90

The Woman's Home Companion paid the government just $583 for carrying that portion of the magazine on which these 75 advertisements were printed.

Any advertising man can point to hundreds of "mail-order firms" like the above. These firms can trace directly to their magazine advertising, every year, purchases of millions of dollars' worth of the stamps that make big profits for the postoffice.

It is even more surprising to learn the enormous postage bills caused by an entirely different class of magazine advertisers—the "general publicity," or "national" advertisers—who wish the reader to ask for their fine soaps, or mattresses, or silks, or stationery at his local store. These firms do not depend on direct replies, yet they receive so many that thousands of dollars are spent for stamps per year in scores of cases—even per month in many.

EVEN THE "GENERAL" OR "PUBLICITY" MAGAZINE ADVERTISING CREATES ENORMOUS STAMP SALES.

A moderate-priced shoe is sold through a number of retail stores in different cities. The manufacturers advertise in magazines for national "publicity," to bring buyers into these stores Incidentally they mention their department to fill orders by mail. Thus an enormous correspondence has been built up, of which the average annual increase alone during the last three years has involved 264,000 first-class letters—a minimum postage of $5,280. This is simply one yearly addition to the company's already first-class business, of which it writes that "all but a nominal percentage" has been "induced by our magazine advertisements."

More than $15,000 was spent for postage by a mattress manufacturer last year, "following up" inquiries received from his magazine advertising, though it is designed to create a demand for the mattress at local furniture stores.

This $15,000 is over and above his steady correspondence with dealers, etc., which was built up in the first place by magazine advertising.

One of the many recent "contests" conducted by magazine advertisers was that of a stationery company. Theirs is also "publicity," not mail-order advertising. It is designed to create a demand for their paper over the stationery store counters. But their "contest" awhile ago, announced exclusively in the magazines, brought 59,000 replies, which, with follow-up, etc., averaged 12 cents first-class postage—a total of $7,080 in one month.

Here is still another "publicity" experience. In the course of familiarizing women with a new trade-mark for silk by means of magazine advertising, the manufacturers incurred postage bills, during the first 11 months of 1909, amounting to $7,979.75. About $2,000 more ought to be added to represent the stamps purchased by the prospective silk-dress wearers themselves.

Another "contest," held by a national advertiser, brought 12,089 replies from a single insertion in one magazine, to handle which postage stamps had to be bought for more than..... $600.00

The publishers paid to have that page carried through the mails, at second-class rates ..... $ 97 66

A half page in one issue of another magazine brought 4,000 letters from inquirers, which, with "follow-up," etc., meant stamp purchases..... 200 00

The carriage of that half page at second-class rates was..... 25 62

Magazine advertisements of a popular cold cream brought 170,000 letters to the manufacturers last year, though the controlling purpose of the campaign was to get the public to ask for that kind of cold cream at the drug stores.

Not including postal orders, special-delivery stamps, etc., the stamp revenue to the government from these letters was $8,500 And, of course, that does not include the profuse correspondence between the manufacturers, the jobbers, the drug stores all over the country, and so on.

For another toilet preparation a single advertisement in a leading weekly magazine brought more than 13,000 replies. The stamps involved here add up to..... $990 00

The publishers paid the postoffice to carry this advertisement, at the second-class rate..... 48 83

A household remedy, seen in most drug stores, was mentioned to the extent of one-quarter page in a single issue of one magazine The requests for samples numbered 1,685. The postage involved was.....202 20

Another "drug store" preparation frequently brings the manufacturer 2,000 to 6,000 letters each month from their magazine advertising of it, though that is, of course, for "publicity," first of all. A single insertion last fall brought 12,000 inquiries, which created, first and last, the purchase of $750 in stamps.

A system of physical culture for women put quarter pages in several magazines during the month of November, from which 3,905 letters were received. In this case, the total postage, including follow-up and correspondence back and forth, was $1,104.09 for that month of November alone.

Narrow limits would be expected in the demand for expensive silverage. Yet a silversmith's two advertisements in the November and December magazines brought 45,000 requests for catalogues. These had already involved by January 13, with the following up, etc., a postage bill of $5,510.

Another big postage bill was also incurred, incidentally, by a company which uses magazine advertising to bring buyers into drug stores, etc., asking for certain shaving soaps and the like. Still their postage bill during 1909, as a result of inquiries from their advertising, was $3,656.08. This does not include the stamps bought by the inquirers—probably $1,000 more.

A similar soap was described in a page advertisement which, printed in one magazine one time, brought more than 30,000 letters. First-class postage on them and the answers to them aggregated more than..... $900.00

The charge for carrying that page, at the second-class rate, was about... 120.00

THE LARGE STAMP PURCHASES OF ENTIRE BUSINESSES DEPEND ON MAGAZINE ADVERTISING.

All the above examples are of postage sales caused by magazine advertising directly, in point of time. Just as directly caused are the sales for correspond-

ence between manufacturer, jobber, retailer, agent, etc., in the many businesses that have been built up by magazine advertising.

A camera company writes: "There is a magnificent revenue to the government through our correspondence with these dealers, through their correspondence with their customers, and through their sending our printed matter, furnished by us, at a postage cost of $100, and such dealer could not afford to go to this expense were it not for the fact that this local advertising which he does is backed up by our general magazine publicity."

This one result of magazine work is figured by the company at tens of thousands of dollars every year in postage.

The postage-stamp revenue created by magazine advertising keeps on for months, and years even, between the advertiser and the consumer, in cases like correspondence schools, for instance.

One prominent company writes that it not only spends $429 per month in postage, answering inquiries which themselves account for about $100 more, but that it enrolls per month more than 2,200 new scholars—and every scholar, by the time he has received all his numerous "lessons," etc., costs the school about $3.50 more in postage. Thus each month creates about $7,700 more in postage bills for this school, not counting nearly as much again which the scholars must spend.

"Our advertising," writes a leading investment banker, "by reason of names being placed on our mailing list for circulation, etc., costs us several thousand dollars a year for postage, which would not be the case if we were not doing and had done advertising."

In fact, there would be little left of the department's profitable postage stamp sales were the big magazine houses crippled. The publishers are the largest buyers of lists of names used for circulation. To circularize these lists many millions of 2-cent stamps are bought every year.

"Our entire mail order book business," writes a Western firm, "has been built up through magazine advertising. Last year our postal bill amounted to $12,298.57. This was used on circular matter and letters. If the circulation of the magazines should be reduced, and it is our opinion that it would be if the postage rate should be increased, our postage bill would be reduced proportionately."

There is much more to be said in support of my contention that the advertising pages of our periodicals are their *revenue-producing pages*, but it cannot now here be said, as I must pass to another division of our general subject.

We have devoted most of our previous space to Mr. Hitchcock's "rider," to the influences and *influencers* that originated it and tried to push it—by methods adroit and scrupulously unscrupulous—into federal enactment—into operative law. At this point of our presentation of the general subject of Postal Riders and Raiders, it was

my original intention to take up generally the *raider* features or elements as planned for discussion in this volume. I intended to start just here to discuss the Postoffice Department "deficit," of which Mr. Hitchcock has had so much to say—and of which he made voluminous and eloquent use during his efforts to bring his "rider" a safe winner under the wire. I intended, as just said, to begin to write about the postal "deficit" just here—a deficit *which never had real existence*, since the days of the "pony post" and "mail coach," save in quasi form—in methods covering political lootage and looters.

Well, I have changed my original plan a little. I'll run a few lines through that "deficit"—twaddle-talk, a little further on. Here I will merely repeat what I have already said, in substance at least.

There never has been a postal deficit since the period I have indicated, save deficits created by official crooks and crookedness, by "interests" which *hired* the official crooks and bought the crookedness, and by department accounting methods which would put Standard Oil or a Western cow ranch on the financial blink inside of thirty-six months, or even in twelve.

We will discuss this artistic "deficit" later. Here I now desire to advert to, and animadvert on, another point which has been brought forcibly to my attention recently—weeks, some two months, after I climbed up here to take a look over the general situation, and then chanced, through the aid of a Congressman friend, to get my distance glasses focused on this postoffice foolery.

Foolery, I have written. I was wrong. There was no foolery about it. It was a *calculated, a studied, a cold-blooded partisan stab at one of the greatest and most helpful—most up-building—industries in this country.*

But we will let that point and the "deficit" rest for the present. It appears that one of Mr. Hitchcock's much-worked arguments to harvest or glean votes for his rider amendment was that the amendment would "affect only a few magazine publishers," or that "only a few magazine publishers, at most, would be affected by the amendment and that they had *enriched* themselves by the special privilege granted by the second-class mail rate statute of 1885," etc., etc.

Various newspapers quoted Mr. Hitchcock variously on the same point or to the same end, and two Congressmen acquaintances reported that he had personally talked to them along the same lines.

Only a "*few magazine publishers*" would be affected by legislation of the character recommended in the rider amendment? That is the point I desire here and now to consider. I hope the reader will go carefully and thoughtfully through the consideration with me.

First it may be said, and safely admitted, that no such legislation as that recommended in the "rider" previously discussed, would be sustained *by any court in this country*, unless its wording was so modified as to make its requirements and restrictions apply *to all periodicals*, or at least to all monthly and weekly periodicals. Even then, it is doubtful if any court could be found to sustain such a piece of class or special legislation unless its terms were broadened to cover newspapers, so numerously and so aggressively are the latter trenching upon what is generally recognized as the weekly and monthly periodical field of effort, influence and usefulness.

I think that any informed, fair-minded reader will agree that that statement is a fair statement of governing facts, unless we question the honesty of our courts in the discharge of their judicial duties or question the juridic honesty of some member or members of the ruling court.

That may read like a blunt or offensive way of putting it. But we are not writing of a Palm Beach twilight party nor of a Newport frolic. We are writing of and *to* a serious subject—a subject which vitally touches and trenches into the vital interests of ninety millions of people—the ninety millions who are the blood and bone and sinew of this nation of ours. It is a subject of such grave import as to make it necessary that we call a spade a spade, a thief a thief, a scoundrel a scoundrel, and judicial weakness, judicial *treachery*.

That is why I put, plain and strong, the point that *no court* could be found in this country to sustain legislation of the character covered in Mr. Hitchcock's "rider" amendment to the 1911 postoffice appropriation bill, and that every informed, fair-minded man must concur in the statements that I have made in the three or four preceding paragraphs.

That "rider" amendment would "affect only a few magazine publishers," says Mr. Hitchcock, or as he is reported to have said.

Now, let us look over the field a little. Let us make an honest, intelligent effort—an effort not warped by political hopes and

aspirations nor by *personal prejudices and interests*—to see who or whom would be affected by such special or class legislation.

First, the reader must get a mental hip-lock or strangle-hold on the fact that the second-class mail *business* of this country—the output of periodical publishers—in marketed values, is somewhere around *one billion dollars a year.*

As has previously been stated, and I believe well sustained by the facts, no business, however well established, can stand an increase of 300 per cent in the haulage and delivery cost of its output without sustaining great financial loss. The fair-minded reader will, I believe, agree that the publishers in presenting their case to Mr. Hitchcock, to the Penrose-Overstreet and other commissions, proved the truth of that statement quite conclusively.

Well, if that be true, legislation of the sort proposed in the Hitchcock "rider" must necessarily, after adjudication, put all the lesser weeklies and monthlies (those not financially strong) out of business. Likewise hundreds of the smaller newspapers must discontinue issue. Of course, Mr. Hitchcock prattled about the newspapers not being affected by his proposed amendment. But, as previously stated, no court of justice in this country would sustain such a biased, prejudiced piece of class legislation as that proposed in the "rider."

CHAPTER VIII.

WHO ARE AFFECTED.

Let us see who really would be affected.

As just cited there necessarily would be thousands of periodical publishers affected—virtually ruined. But, let us go down to things elemental in this question—*down to the stumpage.*

The great educational white way of our periodical literature is builded upon *wood pulp.*

In an opening paragraph of this volume I adverted to that fact. The chief pulp woods are spruce of the North—even of the distant North—and the Northwest. Then come cottonwood, basswood and soft maple, of the South, Southeast and New England. Of course, there are several other kinds of pulpwoods, but they are not used extensively for the manufacture of white paper, unless chemically treated, and such treatment makes them expensive. Of the pulpwoods I have named, spruce is far and away the most extensively used. From spruce is produced the best pulp. In "milling," it shows body, fiber, strength—it gives toughness to the milled sheet or the Web roll.

But that is enough. I am not an expert in pulp-wood stocks. The point I am trying to call to the reader's attention is that *any legislation* which cuts down the consumption of wood pulp must necessarily "affect" some other folks besides "a few magazine publishers."

First, a just adjudication of such a piece of legislation as that proposed in Mr. Hitchcock's rider amendment would put from thirty to fifty per cent of our weaker (but excellent) periodicals on the financial rocks—put them out of business. They consume thousands of tons yearly of pulp-wood paper.

It will, I think, be freely admitted that such periodicals would be out of—*forced out of*—the pulp-wood market—I mean out of the wood-pulp paper market, which amounts to the same thing.

But that is not all. The strong weeklies and monthlies are not going to be put out of business by legislation of that rider character. They will continue in business. They will meet its unjust exactions

by readjustments. They are printing on sixty to eighty pound stock. Some parts of their periodicals are printed on even heavier stock. They will go to the paper mills and demand *lighter* stock, of special finish—*and their demands will be met*—and fifty to sixty pound stock will be used. The special finish will give the reader just as presentable a magazine, typographically, as he now receives.

But you observe that the *publisher* will be saving from twenty to fifty per cent in *stock weight.*

You will also observe that the paper mills will be using twenty to fifty per cent less wood pulp than they are now using.

You will also observe that the railroads will haul twenty to fifty per cent less of pulp timber and less wood-pulp paper than they now haul.

"Only a few magazine publishers will be affected," eh?

Let us "recast" as far as we have gone.

The owners of pulp wood acres or stumpage would be affected, would they not? There are probably three to five hundred of them in the country, taken at a low estimate.

They are not of the "few magazine publishers" are they?

Pulp mill and other investors in pulp-wood stumpage seldom buy until they have an estimate by some skilled judge as to the probable "cut" the acreage will yield. For this purpose the prospective purchasers usually employ one or more "timber cruisers." A timber cruiser is a man so skilled and experienced that he can look at a standing tree and tell you within a hundred feet or so how much lumber it will saw or how many cords of pulp or other wood it will cut. He "steps off" an acre, sizes up the available trees growing on the acre, averaging up the large trees with the small ones, and then estimates or calculates the *average* wood or lumber growth on that acre. He then goes off to some other acre. The latter may be only a few hundred yards or it may be a mile or two from the acres last measured, the estimate on which the "cruiser" has carefully noted in his "field book."

The second acre he "works" as he did the first, and so the "cruiser" goes on with acre after acre through a forest of ten, fifty, a hundred, or it may be a million or more acres of "stumpage," always careful to note the "light" and the "heavy" timbered sections, and marks with a sharp, shrewd and experienced eye an estimate of

the number of acres covered by the light and the heavy growth of timber. When he has covered the acreage his employer contemplates buying, he comes back to civilization, turns in his field book and makes a report to the boss. On that showing the boss buys or declines.

Sometimes, of course, the careful, prudent boss may have two, three or a dozen cruisers, covering different fields of a vast forest section and, sometimes, virtually *trailing* each other. In the latter case, the buyer seeks to use one cruiser's estimate as a check on the other. In any event, however, the purchase or investment is usually made on the showing the cruisers have made.

Now, this talk about timber, cruisers, etc., may be uninteresting to the reader. I sincerely hope, though, he will read it and follow me along the same lines a little further. My object is to show how wide of the truth—how unjustly or ignorantly wide of the truth—Mr. Hitchcock was when making the statement, which it has been repeatedly and reputably asserted he did make, to the effect that the legislation he sought would "affect only a few magazine publishers." I have stated, and have given what I believe to be sound, valid reasons in support of the statement, that legislation of the nature, covered by his rider amendment ultimately—*and necessarily*—must be either annulled by the courts or be so broadened as to remove its special or class features. Of course, Mr. Hitchcock wanted—*and he still wants*—legislation of the nature indicated in that rider to become *operative law.* It is my belief he entertained such hope and desire when he asserted that an enactment of the character of his rider would "affect only a few magazine publishers." At any rate, it was with such belief I introduced this division of our general subject.

As previously stated, legislation of the character sought by Mr. Hitchcock cannot be enacted into operative law *without cutting down the consumption of wood pulp from thirty to fifty per cent.*

Such a cut in consumption, I am here trying to show, cannot be made without affecting the earnings and lives of men—many thousands of men and families—who cannot even be imagined as of those "few magazine publishers."

When the stumpage owner decides to cut five, ten, fifty, a hundred or more thousand acres for milling, another gang of men—"road blazers"—is sent into the forest. If the transportation is to be by

water, some river or smaller stream, these latter men select suitable roll-ways and boom yardages along the stream. From each of these they "blaze" or mark the trees and smaller growths to be felled and the obstructions to be removed in order to provide a haulage roadway —usually providing for both wagons and snow sleds or sledges. If the transportation is to be by rail, corresponding work is done, the roadways branching in from the forest to the rail sidings where the loading is to be done. Not infrequently "spur tracks" are blazed which sometimes run for miles into the forest away from the main line of the railway.

Following these men who mark out the "haulways," come a far more numerous body of men with axes, saws, hooks, oxen, mules and other equipment, including cooks, "grub" and other things necessary to feed and shelter them. These, also, are factors—elemental or primal factors—in the production of wood-pulp from which most of our white paper is made. Numerically they, in the aggregate, number thousands.

Most certainly they cannot be counted among the "few magazine publishers" referred to by Mr. Hitchcock.

With equal certainty it can be said that *each* of these thousands would be materially affected in his industrial occupation by any legislation or other influence which caused a shrinkage in the demand for wood-pulp.

In the fall and winter of the year (sometimes in other seasons as well), an army of men—not thousands, but tens of thousands in number—swarm into the pulp wood forests. They are axemen, "fiddlers" (cross-cut sawyers,) foremen, gang foremen, ox drivers, mule drivers, horse drivers. Here also is again found the cook, the "pot cleaner," the "grub slinger" and other servers of subsistence to the "timber jackies" of the various camps.

Any material reduction in the consumption of wood-pulp would affect them, would it not?

None of them publish magazines, do they?

This brings us down to the pulp mill. Of course each mill has a hundred or more men employed getting its wood floated down the rivers or streams during the spring floods, or "freshets," if their transportation is by water. They are log "berlers" "jam" breakers, shore "canters," "boomers," etc. If their working stock comes by rail,

there are "loaders," "unloaders," "yarders," etc. Then come in the thousands of mill men, engaged on the work of reducing the wood to pulp. If the pulp mill has not a paper mill in immediate connection, as often happens, then the railroad is immediately interested in the reduced tonnage haul, and likewise every man who works for the railroad becomes interested industrially.

Even a triple-expansion brained man could not figure these thousands of industrial workers into the ranks of those "few magazine publishers" whom Mr. Hitchcock, it is asserted, *repeatedly* asserted, would alone be affected by his urgently urged amendment.

Next, we reach the paper mill. How many thousands of men are employed by them, I do not know. Of the many other thousands—wives and children who are dependent upon those workers for clothing, shelter and subsistence—I cannot make even a worthy guess. The reader can make as dependable an estimate as I, probably a more dependable one. But readers will unitedly agree that all these thousands of workmen, wives and children would be affected by *any* reduction in the consumption of wood-pulp paper.

All readers will also agree that no one of these is a magazine publisher.

Thus far we have seen, in considering the "reach" of Mr. Hitchcock's recommended legislation, that it would have affected the earnings and the lives of many thousands of our people—people who cannot, in even perfervid imagination, be classed among his "few magazine publishers." In this connection, however, should be noted the fact that when the paper leaves the paper mills, with the thousands dependent upon their operation and success, the paper proper passes into the custody of the transportation companies—railroad and water—chiefly the former—and of the thousands of operatives they employ. Next comes the thousands engaged in the cartage interests in cities throughout the country, wherever printing is done. In cities of the first and second classes there is usually found a division of the cartage interest which confines its service almost exclusively to the work of carting paper from car, depot, dock or warehouse to the printing plant which consumes it.

Here, then, in the last two classes named, must be found several thousands more workmen who would necessarily be adversely affected by a shrinkage of thirty to fifty per cent in the pulp wood cut.

Those thousands, mark you, do not include the thousands of women and children dependent upon the earnings of those workmen. Yet they would necessarily be affected by any shrinkage in wood-pulp consumption.

And again it must be admitted by every man—and *will* be admitted by any man with as much brains as directs the activities of any lively angleworm—that none of the thousands here mentioned are magazine publishers. None of them could possibly be of the "few magazine publishers" referred to by Mr. Hitchcock.

So far we have touched upon only the *elements of production.* While the people employed in the several divisions of the pulp-wood industry may run, numerically, into many tens of thousands, in the great division of the printing trades, they run into *the hundreds of thousands.* I refer to the great printing and publishing trades—the trades which turn the pulp paper into periodicals and books—*the trades whose work directly educates us.*

Before attempting to designate the various divisions of this class, or to indicate the vast multitude—both men and women—to whom they give employment, I desire to present a few quotations, showing that these trades and these hundreds of thousands of employes are, in the slang language of the street, "onto" not only the controlling—the *ulterior*—motives of Mr. Hitchcock but also that they know and understand and *feel* something of the *far-reaching wreck and ruin to homes and to lives which legislation of the nature he proposed must bring to this industrial division of our general citizenship.*

Under date of May 20, 1911, Mr. M. H. Madden wrote me the following letter. While Mr. Madden may not be as widely known as is Postmaster General Hitchcock, he not having had the advantage of a federal cabinet position to broadcast his fame, there are few men better known among the personnel of the printing trades than is Mr. Madden, and equally few men there are who are better informed on the cost of carriage, handling and distribution of second-class mail.

In this letter Mr. Madden speaks particularly of the *alleged* Postoffice Department "deficit." While this much-talked of "deficit" is made the subject of a short subsequent chapter, Mr. Madden's letter presents several other points trenchantly pertinent to the subject we are now considering, to-wit: that the printing trades—all branches and classes of it, from the pressfeeder and bindery girl to

the shop superintendent and publisher—are alive to the dangers with which legislation of the "rider" character is fraught:

CHICAGO, May 20, 1911.

MY DEAR MR. GANTZ:—For a considerable time President Taft has directed attention to a supposed deficit in the Postoffice Department revenues, he accepting the figures of his Postmaster General that the amount of the shortage for 1909 was above $17,000,000, while that for 1910 was cut down to less than $6,000,000.

An authorized statement by Mr. Hitchcock, sent out on May 27, 1911, declares that for the six months of 1911 there is a surplus in postal receipts ranging from $1,000,000 to $3,000,000. With the fact kept in view that there have been increases in expenses in many directions and the further fact that second-class mail tonnage, on which great losses occur—according to the Hitchcock plan of keeping books—has increased, the manifest inconsistency involved in Mr. Hitchcock's discovery is too transparent to permit of discussion.

Factors which have been left out of the reckoning, among others might be mentioned the progressive increased amount of business of the postal department, with but slight advance in the percentage of cost for transacting the same; a general agitation for better service on the part of the public which awakened the authorities to a fuller responsibility of their duty, and the important circumstance that there has been a new alignment of the House and Senate Committees on Postoffices and Postroads, has caused a moving-up process, we might say shaking-up process, in methods that sadly needed furbishing and of ideas that required practical demonstration. The effect of improving the system of transmitting the postal funds promptly to the national treasury instead of leaving the same to accumulate in the common centers, where they were earned, is seen by the immediate wiping out of the need for a balance of $10,000,000 with which to do business. Such an ancient method of conducting postal business would probably do in the period when the pyramids were built, but that system had finally to surrender, it being too archaic for even the Postoffice Department to adopt

In a communication to me under date of August 9th, 1911, Mr. Madden gives expression to the following very informative statements:

In connection with the Hughes postal inquiry I would like to inform you of the *total addition* to the expense of conducting the Postoffice Department which became effective July 1, 1911. You may avail yourself of these facts in your argument, as they are official, orders having been issued by Postmaster General Hitchcock for these additional expenditures.

The sum of $1,200,000 is to be devoted to increases in the salaries of postoffice clerks during the current year, while $600,000 of an increase will go to city letter carriers. The railway mail clerks will get an increase of only $175,000, making an addition to the salaries of the three groups of $1,975,000. When the rural route carriers get their increase of $4,000,000 it will mean *an addition* to the four groups of the stupendous sum of $5,975,000 to the annual total. The figures

are calculated to startle the ordinary observer, especially when there has been so much music about deficits.

On August 15th, 1911, Mr. M. H. Madden, as Secretary of the Independent Postal League, wrote the Hon. Daniel A. Campbell, Postmaster of Chicago, a lengthy and strong letter, in response to the latter's request for copies of former issues of the league's bulletins. I have a copy of that letter before me and shall take the liberty to quote a few of its relevant paragraphs.

After explaining the reasons why it was impossible for him to furnish Postmaster Campbell a file of the league's bulletins, Mr. Madden continues:

"For myself I have given second-class postage problems some study, have written articles concerning the subject, and have addressed many organizations interested, in various portions of the country. In this connection I appeared before President Taft as a representative of the printing trades with President George L. Berry of the International Printing Pressmen's Union on Feb. 23 last. We protested against the raise to 4 cents a pound on advertising pages in the magazines. As a result of our work, more than 10,000 telegrams of protest were sent to Senators and members of the House from organized labor men. Two weeks later a certain 'rider' was thrown in the Senate. The Hughes commission of inquiry into the cost of handling second-class matter was then created. In one way and another this movement has been kept somewhat active.

"Some weeks ago the editors of union labor publications of the country met in Chicago and formed an association to continue this work, the Independent Postal League being thereby relieved of the task of instructing working people concerning the subject, the League turning over to the editors, the data it had, consisting of documents, official reports, etc.

"President Gompers of the American Federation of Labor and President Woll of the International Photo-Engravers' Union were furnished with material to present before the sessions of the Hughes Commission. The National Typothetae to convene in Denver will also use data supplied by the League, as will the International Typographical Union at San Francisco; also the American Federation of Labor at its annual meeting at Atlanta, Ga.

"In this country there are 2,000,000 organized workingmen affiliated with the American Federation of Labor and 500,000 who are unaffiliated. These are opposed to a raise in postage and have so declared. In the printing trades there are more than 400,000 of the best paid artisans in the world and these are working in opposition to a raise, and since they produce almost a billion dollars' worth of printing each year their protest is worth listening to

"As workingmen we cannot approve of the inconsistency shown by having a pressman produce a periodical in Canada and sending it through the mails at ½ cent a pound, while his brother pressman in the United States would be forced to pay four cents a pound for the same service. And the "Canuck" can certainly

do it at a profit. Here is where a little 'reciprocity' juice would taste nectar-like for the Uncle Sam pressman. For several years our big postoffice officials have been telling the American people it cost more than 9 cents a pound to haul second-class mail. In Canada there is a population of 8,000,000 served by 25,000 miles of railway, while in our country we have 90,000,000 people and 246,000 miles of railroads. In the United States we print 500 periodicals to one printed in the Dominion. The merits of the question are so obvious that there is no chance for a controversy; in fact there can be no dispute on a matter so plain."

Now, see here, I do not want to burden you—you, the reader—with quotations. I have not done so save when the quotations covered the point—our point—better than I could cover it myself. I write up to a point to the best of my ability, and then, if I have at hand some authority—some more *conclusive* and better told statement than I can make myself, I hand it to you.

So please do not skip the quotations in this book. The *meat* of it is in the *quoted* matter, not in what I have said or may say. That is why I desire to quote further just here.

Under date of May 16, 1911, Mr. Hitchcock wrote over the signature of his Second Assistant, Joseph Stewart, the following letter, addressed "To Publishers." Whether or not it was sent to publishers in general or only to "certain monthly and semi-monthly periodicals," I do not know. I reprint it here as evidence for the reader in proof of the tendency, or policy, of Mr. Hitchcock to exercise bureaucratic powers in administering the official service of his office—*powers not given him by law.*

I reprint also for the purpose of showing, by two or three following quotations, how closely Mr. Hitchcock's official acts are being scanned by the printing trades and how clearly and how *justly* they estimate the results and the trade and industrial effects of such action.

The letter signed by Mr. Stewart follows:

POSTOFFICE DEPARTMENT,
SECOND ASSISTANT POSTMASTER GENERAL,
WASHINGTON, D. C., May 16, 1911

Publisher, Practical Engineer, Chicago, Ill.:

SIR.—Arrangements are being made by the Postoffice Department to transport, after June 30, 1911, *certain* monthly and semi-monthly periodical second-class mail matter for *certain* states by fast freight to a number of central distributing points, from which points distribution and delivery will be made by mail as at present.

This method of transportation necessarily being somewhat slower than the

present method of carriage of mail throughout, it becomes necessary for publishers to rearrange their mailing schedules to allow an earlier delivery to the postoffice of mail for the states to be so transported, in order that delivery to subscribers may be made at approximately the same time as at present.

It is believed that an advance in mailing dates of from *three to six* days will provide the necessary margin to offset the slower movement, and your co-operation to that extent is solicited.

Specific information relative to the *states affected* and the time of advance mailing will be furnished at an early date. Any further information desired relative to this matter will be given and any assistance in completing arrangements gladly supplied.

The favor of an early reply is requested.

Very respectfully,

JOSEPH STEWART,

Second Assistant Postmaster General.

The foregoing letter brought a flood of protests in reply. Why should it not? Why does Mr. Hitchcock, as is evidenced by the letter of his Second Assistant, seek to make such an unjust discrimination among periodicals—a discrimination directly contravening *the basic principle of our government*?

Among the replies Mr. Stewart received was one, a copy of which follows:

CHICAGO, May 22, 1911.

Hon. Joseph Stewart, Second Assistant Postmaster General, Washington, D. C.

DEAR SIR.—We acknowledge receipt of your favor of the 16th, and regret that an early reply, as requested, is but partially possible at present.

You tell us unequivocally, if we interpret your letter correctly, that our Postoffice Department in rendering service to subscribers will discriminate against monthly and semi-monthly periodicals after June 30th; that certain publications of a class, issued weekly, will be favored with through mail service, and that other publications of the same character and class, issued semi-monthly or monthly, shall be rendered freight service, and no differential rate provided.

It is unfortunate that a distinction directly affecting the majority of the people could not have been arbitrated, and thereby avoided a period of distress.

Yours very truly,

CHICAGO TRADE PRESS ASS'N,

E. R. SHAW,

President.

Another reply follows. It is from the Chicago Printing Trades, an organization which Mr. Madden, previously quoted, represented at Washington in his conference with President Taft and senators and members of the House.

To Postmaster General Hitchcock:—

The various branches of labor engaged in the production of printing in Chicago number more than 50,000 highly skilled artisans and their annual output is more than $100,000,000. These well-paid working people declare—they knowing it to be a statement based on truth—that the contemplated change in the method of distributing their product will interfere disadvantageously with their opportunity for employment, and they respectfully appeal to the postal authorities to pause in installing a system that is calculated to work great harm to their industry. Their united, emphatic protest is entered against what they feel to be an unwise and unnecessary hampering of their industry and they ask that their appeal be heard on the justice of their claim.

In distributing regular publications through the mails the factor of time is most valuable, and to inaugurate a slower schedule would greatly reduce the current value of periodicals and curtail the influence which these publications now wield. We respectfully direct attention to the injury which the owners of publications would sustain through curtailment of their earning power, as this would at once operate adversely to labor. In fact the severest effect would reach the toiler.

As well-paid, organized workingmen we respectfully call attention to the policy of protection which has enabled our country to flourish almost uninterruptedly for a half-century, and in behalf of this wise system we ask that no unnecessary interference with our trade be inaugurated by those to whom we look with expectation to forward our welfare as industrious citizens.

In common with other industries, business in the publishing lines is far from flourishing, and, while our rate of wages is conceded, we recognize that anything which interferes with the profits and success of employers will immediately react upon our opportunity for employment. It is upon this basis that we plead, and we ask you, as head of the Postoffice Department, that you forego instituting the system of distributing the semi-monthly and monthly publications by freight, and continue the present method of rapid-mail service.

Labor's voice is raised in earnest plea for what it considers itself competent to speak upon, and with the hope that you will aid in maintaining for us our present conditions, which we esteem necessary for our welfare and the welfare of those depending upon us, we leave the question in your hands.

MICHAEL H. MADDEN,
Secretary Independent Postal League.

I am presenting just here, only local protests—Chicago protests. Similar objections were heard from all parts of the country. The Chicago protest, however, would not be complete unless we presented the resolutions adopted by Typographical Union No. 16, at a regular meeting held July 30, 1911. It applies both to the proposed increase in second-class postage rates and to Mr. Hitchcock's unjust discrimination in distributing periodicals:

WHEREAS, It is a fundamental economic truth that anything which tends to

unduly and unjustly raise the cost of distributing the product of labor reduces the opportunity for employment of those concerned in the industry thus affected, and indirectly becomes a menace to all industry, Chicago Typographical Union No. 16, embracing a membership of more than 4,000 skilled craftsmen, takes this method of entering its emphatic protest against any increase in the rate for second-class mail matter; and,

WHEREAS, The proposed routing of semi-monthly and monthly publications by fast freight instead of by the regular fast mail service is manifestly unjust and is a flagrant discrimination against our product, this organization further condemns those who contemplate this pernicious innovation, and we submit that the installation of this system by the Postoffice Department is not only inimical to our welfare as workingmen but will work incalculable injury to the publishing interests of the entire country; and,

WHEREAS, These propositions of the Postoffice Department deserve only the strongest condemnation, and as a means of making this protest effective, we hereby invite the working people of the United States to unite with us in a movement having for its purpose the overhauling and readjustment of the postal affairs of this country, to the end that the service may become one of greater convenience to our people and be an instrument of promotion to the industries of our country instead of a leaden handicap on our industrial progress and the educational improvement of all the people; therefore, be it,

Resolved, That for the protection of the printing industry we hereby instruct our delegates to the next annual convention of the International Typographical Union to propose the following for the consideration of that body, and they are hereby instructed to support the indorsement of the same by the said International Typographical Union convention:

Resolved, That the International Typographical Union emphatically opposes any advance in the rate of postage on second-class mail matter, and that it condemns the proposed method of distributing semi-monthly and monthly periodicals by fast freight instead of by the regular fast mail, to the facilities of which they are entitled under the law, because they pay for the same.

The foregoing quotations are sufficient to show that the printing trades of the nation are awake to the industrial significance of legislation of the Hitchcock "rider" nature, likewise that they are equally wideawake to the purpose of Mr. Hitchcock—ulterior or other—in his attempt to *stealth* such legislation into operative law.

How many people are employed in the printing trades in this country? I do not know.

In Chicago alone there are, at a safe estimate, not less than 40,000. A representative of the organized pressmen of New York before the Postal Commission testified that there were 12,000 pressmen in New York City and that *six thousand of these* were employed on presses which print monthly and weekly magazines.

I have no later statistics by me than a 1905 report touching the number of men and women employed in the printing trades in this country. From the figures given for 1905, however, it may be conservatively stated that the number of persons in this nation who today are earning their shelter, apparel and subsistence (not counting the office or clerical forces) in our great printing and publishing industries is somewheres around 400,000. If the counting-room and general office forces are included the total number—not counting owners or publishers—will reach at least 450,000.

Now, if we total the people who would be affected by legislation which must force a shrinkage of from 30 to 50 per cent in the consumption of wood pulp paper, counting from the timber cruisers to the publication counting-rooms, we shall find that total to be not less than 700,000—probably 800,000. And, mark you, you fair-minded, conscientious reader, that total does not include the wives and children dependent upon the vast army of men employed in our printing industries—dependent for shelter, clothing and food. If they are counted, the figures I have just given must be doubled—probably tripled.

So, there must be not less than two, probably *two and a half*, millions of people,—men, women, wives and children—who would be affected by legislation of the Hitchcock "rider" character.

It is needless, but I must still point out that not *one* of these millions of industrial *earners* nor their dependents who would be injuriously, if indeed not disastrously affected, by legislation of the nature Mr. Hitchcock is so persistently, if not *unscrupulously*, pressing to force into operative law, *is a magazine publisher*.

Most certain is it that none of this vast multitude of our industrial citizens and their dependents can be thought of, nor even imagined, as being counted among those "few magazine publishers" who, Mr. Hitchcock is reported to have repeatedly asserted, would alone be affected by his proposed harsh, discriminating and, therefore, unjust legislation.

CHAPTER IX.

MR. HITCHCOCK STILL AFTER THE MAGAZINES.

I have previously intimated that Mr. Hitchcock is still devoting himself to forcing his *ulterior* motive into operation, either as law or department ruling. In evidence of this I shall here quote from his address or addresses before the Hughes Commission. This Commission was created in the closing hours of the last session of Congress —created as a sort of cushion or pad in order that his *unconstitutional* "rider" might take its cropper without breaking any bones or painfully lacerating the *official* feelings of Mr. Hitchcock. This Hughes Commission convened in New York City, August 1, 1911. Following is Mr. Hitchcock's opening address before it, as reported by the New York Times, August 2. The italics are the writers:—

Postmaster General Hitchcock opened for the department. He said his study of the postage rate problem had led him to believe that certain fundamental principles of administration, almost new to the Postoffice Department at present, should be closely adhered to. These included *the operation of the service on a self-supporting basis*, maintained by imposing such charges as would yield an income equal to the expenses. They included, also, he said, such an adjustment of the postage charges *as would make each class of mail matter pay for its own handling, and no more.* He would further have the levying of postage rates made on the basis of *the average cost of handling and carriage for the country as a whole*, and, finally, postal laws should be enacted so definite in character as to be easy of interpretation and susceptible of uniform enforcement.

Mr. Hitchcock stated in this connection that when the books for the fiscal year of 1911 are closed *they will show for the first time in many years a surplus of postal funds*, and he hoped that this condition would become permanent. Mr. Hitchcock opposed any new classification of mail matter at this time, saying the present classification could be made to include all matter now admissible, and he doubted the expediency of attempting a revision. He then sought to set forth the large share second-class matter has in the burdens of the department, and the *small percentage it pays of the total cost or even of its own cost.*

"During 1910," he said,"there were carried in the mail 8,310,164,623 pieces of first-class mail, consisting of letters, other sealed matter, and postal cards. This mail averaged in weight 0.35 of an ounce a piece, making 45.1 pieces to the pound. The cost of handling and carriage for this mail was $86,792,511.35, an *average of 47 cents a pound*, while the postage charge was $154,796,668.08, leaving a clear profit of $68,004,156.73.

"During the same year there were carried 4,336,259,864 pieces of second-class

matter, newspapers and other periodical publications, averaging 3.33 ounces a piece, or 4.8 pieces to the pound. The cost of handling and carriage was $80,791,615.03, or a *little less than 9 cents a pound*, while the postage return was only $10,607,271.02, leaving a *total loss of* $70,184,344.01.

"From a review of the rates provided for the several classes of mail, it will be observed that in comparison with the cent-a-pound charge for second-class matter the rate on third-class matter is 700 per cent. higher; that on fourth-class matter 1,500 per cent. higher, and that on letter and other first-class matter 3,100 per cent. higher. While it is true that *the expense of handling and carrying second-class mail is less than for any other class*, due to the size and weight of single pieces, to relief from the cancellation of stamps, and to the fact that a considerable part of the bagging, sorting, and labeling in the offices of origin is done by the publishers, nevertheless a charge of 1 cent a pound covers but a small fraction of the actual cost.*

"The present self-supporting condition of the service is made possible only by the fact that other classes of mail, *particularly the first-class, are excessively taxed to make up the loss caused by the inadequate charge on the second-class*. This will be better understood when it is noted that although first-class matter comprised during the fiscal year 1910 only 13.4 per cent, of all the revenue-producing domestic mail, it yielded a net profit of $68,004,156.73, while second-class matter, comprising 65.6 per cent. of all the revenue-producing domestic mail, yielded but $10,607,271.02, leaving the tremendous loss of $70,184,344.01. Thus the deficit caused by the heavy loss on the handling and carriage of second-class matter was greater than the profit obtained from first-class matter."

Mr. Hitchcock here made a plea for equalization of the rate on second-class matter on the ground that it would at once make possible the reduction of letter postage from 2 cents to 1 cent an ounce. This reduction would come about from the fact, he said, that the present profit in handling first-class matter was approximately equal to the loss sustained in the transportation of second-class mail.

Mr. Hitchcock said, however, that he did not believe that the rate for second-class mail should be at once advanced to where *it would cover the cost of handling and carriage, although that should be the ultimate end in view.*

"For the present," said he, "*an increase of only one cent a pound is recommended*, thus making a flat rate of 2 cents a pound, which should be regarded as merely tentative, however, leaving for future determination such *additional increase as may be found necessary to meet the cost.*"

The Postmaster General served notice on the commission that if by any chance it should see fit to recommend the continuance of the present rate—a "merely nominal postage rate," he called it — his department could not consistent-

*Mr. Hitchcock, it should be noted, is careful in giving the higher per cent. of rate which the third and fourth classes show above the second class rate. Beyond the bare statement that the expense of handling second class matter "is less" than for other classes, he says nothing of cost of carriage and handling. His own figures show (see preceding paragraph), that the cost of carriage and handling first-class matter is 422 per cent. higher than his own absurd cost-figure of 9 cents a pound (cost) for carriage and handling second-class and *4600 per cent higher than the present second class rate.*

ly do otherwise than renew *its recommendation for a higher rate of postage on the advertising portions of magazines.*

I need make no comment on that address beyond the comment implied in the phrases and wording I have marked for italics. That Mr. Hitchcock still purposes to "put over" the injustices covered in his Senate rider amendment to the postoffice appropriation bill is made baldly clear. That he still is working that "deficit" as a sort of "come-on" to his purpose is equally clear. And the ridiculous, if not ludicrous, feature of this talk before the commission is that it comes *after* he has demonstrated and publicly announced that *there is no deficit in the Postoffice Department for the fiscal year, 1910-11.*

As Mr. M. H. Madden states in a letter to me, printed on a previous page, Mr. Hitchcock reports a profit of *one to three million dollars* for the fiscal year named.

Later, if I remember rightly, he discovered a stealage—pardon me, I mean he discovered an "excess"—of from $9,000,000 to $14,000,000 in railway mail pay.

Just in this connection I wish to say that Mr. Hitchcock is deserving of the praise and commendation of every one of us American citizens for the aggressive way in which he has cut down expenditures in his department *without impairing its service.* Also is he deserving of equal praise and commendation from us for his vigorous and fairly successful methods of going after that railway mail haulage steal, which has been going on for a time to which the younger generation of our citizens wots not of. Although I may adversely criticise a man, as in this volume I have criticised Mr. Hitchcock, I like the man who puts up a stiff fight for a cause, even though I believe his cause is wrong. Candidly I can see no reason why Mr. Hitchcock and his predecessor postmaster generals should so worry themselves over a "deficit" in the Postoffice Department—*a department in which a surplus should never be expected and never allowed to become permanent.*

But our present Postmaster General has, by his aggressive action and close scrutiny of the loose, wastful methods under which the vast business of his department is carried on, disposed of the "deficit" and found a *surplus.*

In this he has done what his predecessors failed to do.

For this he merits our highest praise and commendation.

Personally I yield it to him, untrammeled and in full meed. I object only to his attempt to saddle upon second-class mail—the one-cent-a-pound-matter—the burden of recouping the government for the losses on rural route and star route service and the railway mail pay stealage. I object because I not only believe, but I *know* as comprehendingly and as comprehensively as does he, that the second-class matter carried in the mails today at one cent a pound *should be carried and handled at a profit at that rate.*

I also know that just as second-class mail (periodicals), is cut down in distribution *in just about the same proportion will the revenue from first, third and fourth class mail be cut down.*

It is because of this firm belief, that I oppose Mr. Hitchcock's, to me, absurd purpose and attempt to make "each division or class of mail pay for its carriage and handling."

I am also opposing his manifest attempt to "play favorites" in legislation and to secure bureaucratic powers for his department—in contravention of my constitutional rights—to *your* constitutional rights.

I take the following from the New York Call of August 26. The Call captions it as "Hitchcock's Sum Up." It evidences the fact that he still follows his folly—that he is still after those "few magazine publishers" and after them, too, on his "rider" lines.

The Call reports as follows:

"The attorneys for the magazines," said Postmaster Hitchcock in summing up the government's case, "have presented this matter of advertising in magazines in such a way as to leave the impression that there is a controversy over it. There is none. *The department knows that the advertising matter in magazines produces first-class mail* and that the postoffice is benefited in that way. The important question is: What effect will a whole increase of 1 cent a pound have on the advertising? Will it be the means of stopping it?

"We feel that advertising would not be diminished by such an increase and if such is the case, all this information which we have heard today, interesting as it may be, is not to the point. Repeatedly we have heard the general argument against an increase in rates as though our recommendation is for a general increase. We don't want that at all. What we are driving at is a readjustment. We are not trying to economize or save money We have done that to the best of our ability already and want simply to increase the second-class rate so that the first will pay for itself, believing that in this way the greater number of people will be served."

If Mr. Hitchcock is correctly reported in the above, it would

appear that something of a change has taken place in his mental landscape since he put his "rider" on the Senate speedway during the closing hours of the last session of Congress. "The department knows that the advertising matter in magazines produces first-class mail," he now says.

Did the department know that fact when that "rider" was on the speedway? It most certainly did, if it then knew anything—that is anything about the sources of postal revenues. Did Mr. Hitchcock or any of his assistants, at the time referred to, make any vehement declaration of that knowledge—that advertising matter in magazines produces first-class revenue? If he or his assistants did so, no one has reported the fact of having heard such declaration.

In March, Mr. Hitchcock battles valiantly to have the advertising pages of magazines taxed *four* cents a pound for carriage and distribution. At that time he "estimated" that such increase in the mail rate on the advertising "sheets" of magazines would be equivalent to a rate of "about two cents a pound" on the entire magazine. As about one-half the full weight of our leading magazines—the magazines which Mr. Hitchcock, as previously stated, appears to be "after"—is in their advertising pages, his method of "estimating" must have been somewhat baggy at the knees last March. Any seventh or eighth grade grammar school pupil could have told him that a four-cent rate on one-half the weight and a one-cent rate on the other half is equivalent to a flat rate of two and one-half cents on the full weight.

However, we may leave that pass. It is past—has washed into the drift of time. If the Call correctly reports him, he is now willing, or was willing on August 25, 1911, to accept a flat rate of two cents a pound on all second-class matter. That shows some improvement over his "estimate" of March last. It would seem that Mr. Hitchcock is getting down nearer the tacks in this second-class mail rate question, and, as he has got rid of that annoying "deficit," it can be hoped that he may yet see the fact—see that a *one-cent-a-pound-rate* is ample to cover the cost of carriage and handling of second-class mail matter.

Still, we must not be overconfident about what Mr. Hitchcock may or may not do. Regardless of what he said or may have said before the Hughes Commission at its recent session, it would appear

that he is still gunning for those independent magazines which have been guilty of *telling the truth* about both official and private corruptionists and corruption and also guilty of turning the sandblast of publicity on the veneer and varnish under which has been hiding much nastiness—political, financial and other—in this country. I say it appears that Mr. Hitchcock is still after those magazines. If such is not the fact, then why does he and the orators and exhorters of his department go junketing about the country lecturing and hectoring postmasters, instead of staying at home and attending to department affairs? If he is not on the same trail he "caught up" last March, why are he and his assistants trying so hard to work up sentiment favorable to an increase in second-class mail rates and a decrease of fifty per cent in first-class rates? Has any considerable number of our people been complaining about the first-class or letter postage rate? If there has been such complaints The Man on the Ladder has not heard of them. On the other hand, it is a known fact that *millions* of our people have protested and are still protesting against any raise in the second-class mail rate. Why, then, in face of these facts, is Mr. Hitchcock working so hard, so industriously and so adroitly, if not, indeed, *craftily*, to get the vast personnel of his department,—carriers, rural routers, star routers, railway mail clerks and postmasters—postmasters, from Hiram Hairpin at Crackerville, Ga., all the way up—fourth, third, second class postmasters to the first-class postmasters in our larger cities—why, I ask, is Mr. Hitchcock working so strenuously to get the vast *political machine* of his department lined up against the protest of millions of our people, unless he is still after those pestiferous, independent magazines?

Why, again, it may be asked, are he and his assistants coaching the 220,000 clerks of his department and the 60,000 postmasters, assistant postmasters, etc., on his "staff" to put up a *promotion* talk for a one-cent rate on first-class (letter or sealed) matter? It *should be* a one-cent rate. Nobody at all informed as to mail service rates and revenues will question that. But it is equally true that, up to a recent date, there have been, comparatively speaking (the comparison being with the millions protesting against an increase in the second-class rate) but few complaints and complainants against the present rate of two cents for carrying and handling a letter.

Why, then, I ask, is Mr. Hitchcock so actively cranking up his

departmental political machine to make neighborhood runs and do some hill climbing in advocacy of that one-cent rate for first-class matter? Yes, why?

Is it a legitimate assumption to say that the present agitation for a lowered rate on first-class matter found origin in Mr. Hitchcock? If it is, then what is he after?

To The Man on the Ladder it looks as if he was still after those magazines which have exposed—yes, even displayed—a weakness for telling the truth about men and conditions. Otherwise, why should he be arguing the postal "deficit" in March as cause and reason for his urgent efforts to make operative law out of that unconstitutional "rider" and now asking for a flat rate of two cents on second-class, and advocating a cut of fifty per cent in first-class, or letter, postage rates?

In his January-February-March talk, the "deficit" was the *substructure* of it all. By attending strictly to what the people understand as a Postmaster General's business, Mr. Hitchcock faded the then $6,000,000 deficit into a few hundred thousand surplus, for the fiscal year recently ended. For this, he deserves our highest commendation. He has mine. Why?

Because Mr. Hitchcock in converting that deficit into a surplus has done just what any one of his predecessors could have done in any year during the past thirty-five, *if they had tried, and not been interfered with by dirty politics and dirty politicians.*

Still, from the ladder top, it looks as if Mr. Hitchcock is after some one or *ones*. If my surmise is correct, who is it he is after, *if not those publishers of magazines who are educating us as to the wrong and right of things in this government of ours*?

That is for you to say, reader. That you may not think that the opinion just expressed is far fetched or an "individual" to bolster an opinion of the writer, I shall here quote a few paragraphs from an October issue of the Farm Journal of Philadelphia. The paragraphs are from an article written by Mr. Wilmer Atkinson, the Farm Journal editor and publisher.

I have on a previous page referred to and quoted Mr. Atkinson, and here I wish to emphasize, if my earlier reference did not do so, that Mr. Wilmer Atkinson is one of the best, if not *the* best, informed men in this country on cost of second-class mail carriage, handling

and distribution. Mr. Atkinson must also be credited with an acumen in watching and divining—sizing up—the purpose and intent of our Postoffice Department that is equaled by few, if any, other men in this country, Postmaster Generals not excepted. I have been studying this question for years. Mr. Atkinson has studied it for more years, and he has studied it, too, from a business man's—a publisher's—viewpoint, as he has been compelled to do, being the directing head of one of the most widely circulated and read farm journals in this country.

That aside, my purpose here is to reprint a few paragraph excerpts from a recent (October, 1911) issue of the Farm Journal—an editorial written by Mr. Atkinson himself and which shows that this astute student of the present federal postal affairs corroborates the position The Man on the Ladder has taken—which supports the statement previously made that Mr. Hitchcock is still gunning for those, to him, objectionable magazines.

The following is from the October issue of the Farm Journal, under the heading of "Our Monthly Talk:"

In response to invitation a number of gentlemen interested in postal questions came together for informal conference at North View, the summer residence of the undersigned, on September 20 and 21.

Those who met are the official representatives of the following associations:

The National Fraternal Press Association.

The Federation of Trades Press Association.

The Ohio Buckeye Press Association, and the Weekly Country Press of other states.

The National Catholic Editors' Association.

The United Typothetæ of America.

These gentlemen constitute a portion of the Publishers' Commission now in process of formation. The representative of the American Medical Editors' Association was unable to be present on account of a pressing engagement, and the member representing The Associated Advertising Clubs of America was absent in Europe.

This was the initial effort of the commission to bring the entire publishing fraternity of the country into such unity of spirit and purpose that something effective may be accomplished toward establishing not only just and honorable, but amicable and pleasant, relations with the Postoffice Department; to bring publishers of the different classes into harmony, in order that they may stand and act together for the protection and furtherance of their common interests, and for the cultivation of fraternal feelings among themselves.

There were three meetings held, two on the 20th and another on the morning of the 21st. After much earnest and harmonious discussion, it was decided that

the great need of publishers at this time is to have the light turned upon postal affairs, so that they may know where they are at. To best accomplish this purpose it was thought that there should be a *Publishers' bureau established at Washington*, in charge of a first-class man, who would be the collector and distributor of information regarding postoffice doings, rulings, hearings and proposed postal legislation; this bureau also to publish a paper for circulation among publishers of all classes throughout the United States, which would keep them thoroughly informed as to postoffice rules, regulations, proceedings and acts of every description.

Much of the information publishers get now is fragmentary, uncertain, often considerably warped and belated cold-storage news, void of substantial life-sustaining qualities. *The annual reports* of the department in which publishers are most vitally interested *are less complete than formerly.* Many important facts do not appear in them. For instance, no statement is ever made as to the amount of first-class matter originated by the second-class, none, or very little, account is made of it. No attempt has ever been made to gather, much less publish, statistics on the subject.

Formerly a list was accessible of publications annually thrown out of the mails at second-class rates, but not in recent years.

The report of the Third Assistant Postmaster-General in 1897 comprises 97 pages of compact statements and postal information in small type; that for 1901, 133 pages; while those for 1909 and 1910 contain only 60 and 65 pages in larger type, respectively. I am not censuring Mr. Britt in this matter, but simply stating facts.

Then as to the rulings, laws and regulations, there is not a publisher living who knows what they are, or can definitely ascertain what they are, from month to month. They are liable to change without the publishers being informed directly of the change. What purported to be "The Postal Laws and Regulations Relating to the Second-class of Mail Matter" was issued in 1910, but in it the law, rulings and regulations are so jumbled up together that it is difficult for a publisher to know which is which; instead of being illuminating and helpful, this compendium is confusing and involved in obscurity. It is a well recognized legal maxim, that "where the law is uncertain there is no law."

Publishers have not known that an active propaganda in favor of a higher rate has been in progress ever since Congress adjourned, but such is the fact. The Postmaster General went before the Hughes Commission and advocated it.

The Third Assistant Postmaster General, in the early summer, made an address before some publishers in Chicago, wherein he stated that it was the purpose of the Postmaster General "to adjust postage rates based upon the principle of the payment on each class of mail matter of a rate of postage equal to the cost of handling and carriage, and no more, and that one class of mail matter shall not be taxed to meet deficiencies caused by an inadequate rate on another class," meaning by this that the rate must be raised on second-class matter and lowered on the first class.

General DeGraw, Fourth Assistant Postmaster General, in an address before

the West Virginia Association of Postmasters, stated the purpose of the Postmaster General to be exactly what Mr. Britt declared it to be; and he had the postmasters pass a resolution indorsing the Postmaster General, and even as late as September 22, at Milwaukee, he advocated *"the crystalization of the proposed increase in second-class mail rates into law."*

Jesse L. Suter, representing the Postoffice Department, brought greetings from the Postmaster General, to a round-up of postmasters in Michigan in August last, and said that "the great subsidy extended the publishers in the form of a ridiculously small rate of postage is unreasonable. Were the publishers required to pay more in proportion to what it actually costs the government to transport their products, the people of the United States would be benefited. *Every man, woman and child in the United States is taxed seventy-three cents by way of his letter postage* over and above the cost of carrying his own letters in order to meet the deficiency of underpaid second-class matter."* And then, of course, the postmasters passed a resolution thanking Mr. Suter for his "timely hints relative to second-class matter and commending the Postmaster General."

On August 22 and 23, there was a postmasters' convention at Toledo, Ohio, at which a resolution was proposed complimenting the Postmaster General "for his efforts to bring about a fair compensation from those enjoying the benefits of second-class rates."

James B. Cook, Superintendent of the Division of Postoffice Supplies, Washington, D. C., also addressed a postmasters' convention in the West, in which he said: "There is one thing I am going to ask you to do—it is a simple thing and one that should be near to your hearts. Certain publishers have attempted to create public sentiment against an increase of postage on advertising matter in magazines. . . . . Many of us believe that the postage rate is class legislation of the rankest kind in favor of the few at the expense of the masses. Talk to your business men about it; the Postmaster General *is going to win this fight because he is in the right.* Tell the business men that the Postmaster General feels that he is entitled not only to their moral but their active support."

At how many other state conventions the postmasters have been prompted to pass resolutions and have been addressed by Washington officials endorsing "the great fight" the Postmaster General is making for a higher postage rate, deponent sayeth not.

Thus it is that an energetic campaign has been carried on by the Postmaster General during the summer, postmasters being urged to pass resolutions and "talk to business men" in favor of an increase of postage rate on second-class matter in order, no doubt, to be ready when Congress meets to put the measure through.

In confirmation of the above, word comes from Washington to the effect that

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*Mr. Suter must certainly have been wind-jamming a little. "Every man, woman and child" pays at a maximum rate of 2 cents an ounce or fraction thereof. That is at the rate of 32 cents a pound. Mr. Hitchcock's figures assert, that it costs "47 cents a pound" to carry and handle the letters for "every man, woman and child" — that is, presuming they all write letters. The letter writers, it appears then, pay only 2 cents for a service which costs nearly 3 cents.

"there has been no cessation in the activities of the department to make preparations to renew vigorously at the forthcoming Congress the fight for an increased rate. If the publishers feel that they have won their fight and are resting easily, they will have an awakening ere the year is over."

While it would not be possible or advisable under the circumstances to circumscribe the activities of our energetic Postmaster General, certainly it would be a prudent and wise step for publishers to place themselves in position to know what is going on injurious to their own interests and that of the people of the whole country.

Now, Mr. Hitchcock is a brave and persistent fighter and as such will respect and honor those who will stand up like men and defend their cause, and can have only contempt for those who will meekly sit still while being pummeled to death.

If publishers are ever to establish honorable and just and amicable and pleasant relations with the Postoffice Department they must show that they are men with red blood in their veins.

The essential thing will be to get the right man to represent us at Washington but this ought not to be difficult.

Among his duties will be to make inquiry into postal matters of every description that in any way relate to the publishing business and to publish them; publish orders of the department; rulings and proposed rulings; attend hearings and publish the proceedings; keep abreast of measures introduced in Congress and proposed by the Postoffice Department bearing upon the publishing business; keep subscribers fully posted on everything that occurs at Washington or elsewhere that concerns them; to advocate such reforms in the postal service as the people ask for and need, and finally to rally the whole fraternity to resist any threatened or actual encroachment upon the freedom and independence of the press.

Here are some of the qualifications necessary for the person fit to take charge of the Washington office: Some experience as editor and publisher; he must be honest and just; patriotic; discreet; firm; tactful; must have power as a writer; character as a gentleman; vision, courage, one who cannot be either frightened or cajoled; and finally, one who recognizes the fact that *liberty of the press is a principle that lies at the foundation of republican institutions*, and must not be encroached upon, or placed in jeopardy.

I have made the above quotation from Mr. Atkinson to evidence the fact that he and others support my view of Mr. Hitchcock's attitude *now*, in relation to this second-class mail rate question. Mr. Atkinson shows quite conclusively that our Postmaster General is still, and stealthily, running the trail which the Penrose-Overstreet Commission *scented* for him and urges publishers and the printing trades to be on their guard.

Some pages back I adverted to the fact that the deficit of $6,000,000 for the fiscal year 1909-10 was the ground-plan of Mr. Hitchcock

for an increase in second-class postage rates. That deficit he himself has converted into *a surplus of several thousands of dollars.*

Why, then, is he still trailing those independent periodicals?

Why, too, it is relevant to ask, did he so suddenly hear that the people of this country were crying for a cut of fifty per cent in first-class, or sealed, postage rates, much as the advertiser declares the children cry for Castoria? To the Man on the Ladder it appears that what Mr. Hitchcock heard must have been a "far cry"—very far. So far, indeed, that no one who did not have his *ear to an ulterior motive* could hear it.

You will observe that he worries a couple of years over a "deficit" —a little runabout, five H. P. deficit of $6,000,000. Then by doing a few things which common business sense imperatively dictates should be done, and which, it is well known among competents, any one of a dozen of Mr. Hitchcock's predecessors should have done, or *could* have done had not dirty politics blocked them—by doing just a *few* of the business things which every student of the question knows could have been done and should have been done years ago, Mr. Hitchcock lost his "deficit"—his ground-plan for attack on second-class rates—*and found a surplus instead.*

The Man on the Ladder does not desire to appear impertinent nor even finicky in his type conversation on this point, but in simple justice to the magnitude of the question he is constrained to ask: Is a "deficit" so essentially necessary to Mr. Hitchcock in a fight to put certain independent periodicals on the financial skids that he must, losing one deficit, *immediately set about creating another*?

That is just what his move to cut the mail rate on first-class, or sealed, matter must lead to—lead to temporarily of course. In the end a one-cent rate per ounce or fraction thereof will win to a paying basis. That rate will mean a cut of sixteen cents a pound from thirty-two cents a pound for carriage and handling letters and other sealed matter of the first-class. Certainly the post-office can haul and distribute such matter at a profit at that rate. However, it is equally certain that the department will not handle such matter at a profit for two, three or more years—not so handle it until numerous causes of waste, inhering in the department for years, are sloughed and the department put under *strict business manage-*

ment, and not left under partisan political management as now and as it has been for thirty-five or forty years.

With the postal and post card facilities now furnished at the one-cent rate, no considerable number of our people are complaining about the two-cent rate for letters and other sealed matter. But all will welcome a flat rate of one cent on such matter at the present weights. If they get it, either with or without Mr. Hitchcock's assistance, the people will be getting only what they are entitled to, deficit or no deficit. However, if Mr. Hitchcock thinks a "deficit" necessary armament in his fight to increase second-class mail rates—to increase such rates, as it would appear, on a certain few periodicals which print and publish *what the people want to hear and read and not what a few federal officeholders tell them to print and publish,* then a cut of 50 per cent in the present first-class postage rates will most certainly create that deficit for him.

In a few years, of course, after business has adjusted itself to the lower rate and the fathers, mothers and sweethearts of the country have learned that they can write a letter to John, Mary, Thomas or Lucy and have it delivered for one cent, whereas it now costs two cents, then Mr. Hitchcock's *created* deficit will fade away—will again fade into a surplus.

In the meantime, however, Mr. Hitchcock and associate coterie who apparently are gunning for periodicals *which dare tell the truth,* will have a "deficit" to use as wadding in their verbal, oratorical and *franked* ordnance.

The 1910 report of the Postoffice Department sets up something over $202,000,000 as receipts from cancellation of stamps, or stamp sales. Of course, millions of dollars' worth of those stamps were bought for and canceled in third and fourth class service, catalogues, books, etc.—in third-class carriage and handling, and merchandise parcels in fourth class. One has no data—nor can he obtain such data from the Postoffice Department records—to show what sum or portion of that $202,000,000 worth of stamps was canceled in the transmission of letters and other sealed matter of the first-class. But it may be conservatively stated that if Mr. Hitchcock succeeds in cutting down or curtailing the circulation of weekly and monthly periodicals—especially their advertising pages—he will have no trouble in finding,

for two or three years at least, a shrinkage of from $50,000,000 to $75,000,000 in that stamp account.

That, with the falling away in *paid* second-class matter, will provide him a "deficit" which should make him jubilant—should furnish wadding for his embrasured guns for two or three years in his attack on those recalcitrant periodicals which attend to their *own business* in a clean, truthful way and expect nothing of a Postmaster General other than that he attend strictly and efficiently to his business, to the business of the Postoffice Department—to the business of collecting, transporting and distributing the federal mails.

I have probably discussed Mr. Hitchcock, his faults and his excellencies sufficiently. I will therefore, pass to another phase of our general subject.

THE HUGHES COMMISSION.

First, however, I must introduce a few paragraphs here in summary of the work done by the Hughes Commission at its August session in New York City. The commission comprised Associate Justice Hughes, President Lowell of Harvard University, and H. A. Wheeler, President of the Chicago Association of Commerce. That this triumvirate of gentlemen will act disinterestedly and fairly, so far as their knowledge and the evidence relating to postal affairs extends, there is here no question.

That they have not and will not dig up and uncover facts and data relating to the haulage and handling of second-class mail matter, beyond that already known to and on file with government officials, is equally certain. No finer trinity of men could well have been selected by President Taft, but the fact is none of the three has had any opportunity to make a study of the federal mail service, second-class or other. Or if they have had such opportunity, the press of official and private business in other lines and directions preventing, in large extent, their study of postal service costs and affairs. No doubt, these three gentlemen will do the very best and fairest they can—or know how to do—with the evidence presented to them. Still, I am of the opinion that they will discover little which has not already been discovered—which, as Congressman Moon said on the floor of the House last March (1911), "has already been discovered and filed for departmental and official reference." Each of them is a man of high

academic training but neither of them, so far as The Man on the Ladder has been able to learn, had made, as previously stated, any qualifying study of federal postal affairs. So the best we have a right to expect from them is that they will tell the story, draped in new or different verbiage, told by predecessor commissions on second-class postal rates, costs of haulage and handling the same, etc.

Incidentally it may be said with all due courtesy and respect that the Hughes Commission will probably succeed in spending the $50,000 appropriated for its expenses, subsistence, incidentals, etc. The present commission would not be loyal to precedent if it permitted any of that $50,000 to return to the general fund as an "unexpended balance."

Just here I desire to introduce a few items from the testimony of Mr. Wilmer Atkinson before the Hughes Commission, which, in August last began strenuous efforts to spend $50,000 and to discover and report upon facts anent the cost of hauling and handling second-class mail matter—which facts have already been collected, collated and filed with labored, likewise expensive, care somewheres in the government's archives. I have quoted from Mr. Atkinson several times in forward pages. I desire to quote here from his testimony before this Hughes Commission, because the Hughes Commission is the latest and "best seller" on the second class mail shelf and because I recognize in Mr. Atkinson one of the first and most dependable authorities in the country on the cost of carriage, handling and distribution of mail—whether of the second or any other class. Especially do I desire to quote part of his testimony before the Hughes Commission because I am of the opinion that the reader, as well as the Commission, must necessarily gather forcefully pertinent facts from it:

To ascertain what second-class matter costs has been found to be a puzzling proposition. Many have tried to solve the puzzle and all have failed.

The Joint Congressional Commission consisting of Penrose, Carter and Clay for the Senate, and Overstreet, Moon and Gardner for the House, with the aid of numerous expert accountants, at a cost of a quarter of a million dollars (according to the President's statement), attempted it and gave it up. All these gentlemen are on record as declaring that it is a task impossible of accomplishment.

Senator Bristow, a former Assistant Postmaster General, who has given postal questions much careful study, said in a recent speech that "It does not cost nine cents a pound, nor can the Department ascertain with even approximate accuracy what is the cost of handling any special class of mail. It would be just as

easy for the Pennsylvania Railroad to state in dollars and cents what it costs to haul a ton of coal from Harrisburg to Pittsburgh, or 100 pounds of silk from Pittsburgh to Indianapolis, as for the Postoffice Department to state what it costs the Department to handle newspapers or magazines. Anyone familiar with transportation knows that such calculations cannot be made with accuracy, because there are so many unassignable expenses that must be considered—expenditures that cannot be subdivided and assigned to the different classes of freight. The same is true as to the different classes of mail."

Postal officials have exhausted conjecture as a basis for a correct solution of this problem. Nearly every year there has been a new guess. Mr. Madden, Third Assistant Postmaster-General for seven years up to 1907, guessed that it cost 4 cents a pound. His successor, Mr. Lawshe, guessed 2½ cents and then the next year 4 cents. For the last two years the Department's guess has been 9 cents.

The Penrose-Overstreet Commission declared, while it is impossible to ascertain with certainty what the cost is, the members of the Commission gave it as their opinion that *"One cent a pound is approximately adequate compensation for handling and transporting second-class matter."*

I am confident that there is a better way of solving the problem than has heretofore been tried. This consists in the direct application of plain, old-fashioned common sense to it. A little gumption in such a matter as this is far better than fanciful guessing or astute figuring by experts, who are bent on finding something that is not there.

In working out this problem I have adopted a method quite different and have obtained results quite unlike the foregoing. I show the relation of second-class mail to stamp mail extending over a period of 25 years, from 1885 to 1910. This covers the entire period since the institution of the cent a pound rate.

I go back still further to 1876 when the postage rate on newspapers was 4 times greater than now, when the sale of stamps was less than one-eleventh what it is now, *and while deficits were larger.*

The highest point reached in the weight of second-class matter previous to the institution of the present rate, was 101,057,963 pounds.

It has been repeatedly declared officially that second-class matter originates large quantities of other classes of mail, and in the official figures we have the proof.

While population increased from 1885 to 1910 only a little more than double, the revenue from the sale of stamps, etc., and the weight of second-class matter, each increased over 5 times. *No other possible reason can be assigned for the increase in stamp mail, and the tremendous development of every branch of the postal business 5 times faster than the growth of population, than the increased circulation and influence of the newspaper and periodical press, brought about by the reduced postage rate.*

SECOND-CLASS MATTER WOULD HAVE LONG AGO WIPED OUT ALL DEFICITS AND CREATED AN ENORMOUS ANNUAL SURPLUS HAD IT NOT BEEN FOR THE GREAT BURDENS WHICH WEIGHED THE SERVICE DOWN.

There would have been a surplus, instead of a deficit, every year since 1901, had allowance been made for the extraordinary cost of free rural delivery, and in 1910, the surplus would have been $31,075,170.12.

If also allowance had been made for free government matter, other than the Postoffice Department's own free matter, being sent stamped as first-class matter is, the surplus for 1910 would have been $51,075,470.12 and these figures like all others here given, are from official reports.

A VAST INCREASE OF EXPENDITURES.

Not only did stamp mail, under the stimulus of the steady and enormous increase of second-class matter, enable the Department to meet the cost of rural delivery while reducing the deficit, but it also met and overcame the immense increase of the annual expenditures for railroad transportation which grew from $33,523,902.18 *in* 1901 *to* $44,654,515.97 *in* 1910: *of salaries to postmasters, assistants and clerks which grew from* $32,790,253.39 *in* 1901 *to* $65,582,533.57 *in* 1910, *of the railway mail service which grew from* $9,675,436.52 *to* $19,385,096.97 *in* 1910, *and of the city delivery service which grew from* $15,752,600 *in* 1901 *to* $36,841,407.40 *in* 1910. *In these four items alone there was an increase in annual expenditures in the last ten years of* $74,721,361.82, *for which second-class matter was only in a very limited way responsible.*

Entirely too much stress has been placed upon the cost of second-class matter, for it makes little difference whether it costs 2½ cents or 4 cents or 9 cents, or even more, if it produce results commensurate with its cost, and this it would do *if the cost were double the highest guess yet made.* The Government could afford to carry it free rather than not carry it at all, for without it the bottom would drop out of the Postal Establishment. As long as the people get the benefit of the low rate, as they are doing now, for which we have official testimony, it matters not what the rate is except that it should be kept at the very bottom notch.

WHY THE POSTAGE RATE WAS MADE LOW.

Even if the cost of second-class matter should be declared to be more than one cent per pound, it would not be good public policy for Congress to increase it, because much reading matter would be placed out of the reach of many who now are receiving the benefit of it.

Postmaster-General Meyer said in his report for 1908: "The charge for carrying second-class mail matter was intentionally fixed below cost for the purpose of encouraging the dissemination of information of educational value to the people, *and the benefit of the cheap rate of postage is passed on to the subscriber in a lower subscription price than would otherwise be possible.*"

The Hon. Charles Emory Smith truly declared: "Our free institutions rest on popular intelligence, and it has from the beginning been our fixed and enlightened policy to foster and promote the general diffusion of public information. Congress has wisely framed the postal laws with this just and liberal conception.

"It has uniformly sought to encourage intercommunication and the exchange of intelligence. As facilities have cheapened, it has gradually lowered all

postage rates. It has never aimed to make the postal service a source of profit, but simply to make it pay its own way and to give the people the benefit of all possible advancement.

"In harmony with this sound and judicious policy, it has deliberately established a low rate of postage for genuine newspapers and periodicals, with the express design of encouraging and aiding the distribution of the recognized means and agencies of public information.

"It is not a matter of favor, but of approved judgment. *It is not for the publishers, but for the people.*"

The testimony of Senator Bristow is that, "I am glad we have got a one-cent rate of postage for the legitimate newspapers and magazines of the country, and I would rather decrease it than raise it. *The beneficiaries are the poor people themselves*, who now get daily papers at from $2 to $4 a year, when they used to pay from $10 to $12. They now get magazines from $1 to $1.50, when they used to pay $4 to $6 per year for magazines of no higher grade." * * * *

And I would remind the Commission that there are millions of laboring men and women who cannot afford to add to their living expenses the cost of any but the very cheapest reading matter, and many not even that. After buying food and clothing and providing shelter there is scarcely anything left in the home for cultivating the intellect and informing the mind.

When sickness intervenes, then comes the stress of debt, and if death follow, the future has to be drawn upon to give the dead a burial such as love would provide. Are these people, *the bone and sinew of the land, those in the humble walks of life*, not to be considered when it is proposed to add to the cost of the family reading?

It surely should not be made more difficult for the poor to obtain that which is so essential to their welfare and that of the Republic of which they form an important part. * * * * * * * * * * *

"But here I cannot forbear to recommend," said George Washington, in his message to Congress, on November 6, 1792, "a repeal of the tax on the transportation of public prints. There is no resource so firm for the government of the United States as the affections of the people, guided by an enlightened policy; and to this primary good, nothing can conduce more than a faithful representation of public proceedings diffused without restraint throughout the United States."

NEWSPAPERS AND PERIODICALS.—THE DIFFERENCE.

An effort was made in the closing hours of the 61st Congress to increase the postage rate on magazines. It is my opinion that the postage rate should remain uniform as it is now upon all classes of publications. There should be no partiality shown, there should be no discrimination. A proposal to increase the rate on magazines alone, is not one that should have the endorsement of this Commission nor the approval of Congress, as I shall endeavor to show.

Under Section 432 of the Postal Laws and Regulations, "A newspaper is held to be a publication regularly issued at stated intervals of not longer than one week; a periodical is held to be a publication regularly issued at stated intervals less frequently than weekly."

A magazine is nowhere defined in the Postal Laws and Regulations. A law that would increase the postage rate on "magazines," without an explicit definition of the word, would apply to just such publications as the Postmaster-General might select in the administration of the law, and none others. No such power of discrimination should be vested in any official. The Postmaster-General is an executive, not a judicial officer, nor a lawmaker.

It has been wisely and aptly said that this is a government of laws and not of men; that there is no arbitrary power located in any individual or body of individuals; but that all in authority are guided and limited by those provisions which the people have, through the organic law, declared shall be the measure and scope of all control exercised over them.

There seems to be no good reason why a newspaper, which is carried in the mails once a day or once a week, should pay a less rate than a monthly or quarterly. If the Government really loses money in handling and transporting second-class matter, the loss would be greater on the former than on the latter, because a daily goes through the mails 365 times a year, a weekly 52 times, while a monthly only goes 12 times, and a quarterly 4 times.

We learn from official records that daily newspapers comprise 40.50 per cent. of all second-class matter, weeklies 15.23 per cent., papers devoted to science 1.30, to education .64, religious 5.91, trade 4.94, agriculture 5, magazines 20.23, and miscellaneous 6.25. Note that it is stated that 20.23 of the whole consists of magazines; but what is a magazine? We are nowhere told, and the percentage quoted has the appearance of being founded upon conjecture. * * *

This Commission may not be aware of the fact that the Pennsylvania Railroad will take, and does take, packages of papers for all of the great newspapers that are published along its lines, and transports them in the bagagge cars for one-quarter of a cent per pound, to any station on the line, whether it is ten miles from the place of origin, or 1,000 miles from the place of origin. And yet the Department is paying the railroads approximately two cents a pound for hauling the newspapers of the country.

The papers are delivered by the publishers to the train just the same as the publisher delivers his newspapers to the train when they are sent by mail. These packages are delivered to the depots of the railroads, and the parties to whom they are sent call at the depots for the packages. If they are sent by mail the publisher delivers them at the train, and the parties to whom they are addressed call at the postoffice for the packages. The postoffice Department does not go to the newspaper office and get the mail. The publisher delivers the newspapers to the mail trains, the same as he delivers them to baggage cars for the railroad company.

And possibly the Commission has not been informed that the express companies have a contract with the American Publishers' Association whereby they agree to receive newspaper packages of any size, and deliver them to their destination within a limit of 500 miles, for one half cent per pound. The express company does not call at the newspaper office for the papers. The publisher delivers them to the express car, the same as he delivers his papers to the mail car. The express company then takes these newspapers, consisting of packages

of any size, from a single wrapper to a 100-pound bundle, and delivers them at the other end of the line to the addresses, if the distance is not greater than 500 miles, for half a cent a pound, and by its contract with the railroad the express company pays the railroad only a quarter of a cent a pound.

The Department figures show that the average distance which newspapers are hauled is less than 300 miles. Yet the Department is paying about two cents a pound to the railroad for that which the express companies pay but a quarter of a cent a pound. The express companies only charge the publisher one-half cent a pound, while the Government charges him one cent a pound. The express companies pay the railways one-fourth a cent a pound, while the Government pays about two cents—eight times as much—for exactly the same service. The express companies are glad to get the business, and render more service than the Postoffice Department, because they deliver the packages of any size at the other end, which the Department does not do.

Senator Bristow is authority for the above statements concerning the railroad and express contracts.

* * * * * * * * * * * * *

Now I would not have this (class) newspaper and its annexes deprived of the low postage rate, but as the Postoffice Department has within the past ten years denied admission to the mails of 11,563 of other publications, and 32,000 others have been ruled out or died from the hard conditions imposed, I would respectfully request this Commission to ascertain and report to the President for transmission to Congress *why there has never been a single publication of this class shut out or even molested in the slightest degree?*

I do not say it is, but *is* it, because such papers are politically powerful, that they have the ear of the public, that they hold a monopoly of the news, and that they can make or unmake the reputation of public officials at will, and that therefore they are immune from interference? * * * * * * *

I have here a copy of the *Police Gazette*, which I take to be a superior paper of its class. It is held to be a newspaper, entitled to transmission through the mails at a cent a pound. It has never been proposed to raise the postage rate on this paper. * * * * * * * * * * * * *

This Commission should endeavor to find out and report to the President for transmission to Congress, why the postage rate on one-half of the periodicals devoted to agriculture should be increased from one cent to three cents, and the postage rate on the Police Gazette should remain at one cent.

HEARINGS BEFORE THE HUGHES POSTAL COMMISSION.

I intended to follow the hearings before this commission personally. Ill health prevented my doing so. Under this stress, I asked my friend, Mr. M. H. Madden, quoted on a previous page in connection with other phases of our general subject, to summarize for me the hearings of the commission in August. Mr. Madden kindly

consented to do so. Following is what he writes me relating to the commission's proceedings and hearings:

The first meeting of the commission took place on August 1, and it continued its hearings in New York City, with occasional adjournments during the greater part of the month.

Postmaster General Hitchcock represented his department before the commission, Second Assistant Stewart and Third Assistant Britt were also present, each in turn occupying the stand. Hitchcock outlined his position concerning a demand for an increase for the first time, although the same idea was expressed by Third Assistant Britt some months ago, when Britt made an address before a convention of newspaper circulation managers in Chicago. Hitchcock and his two assistants held to the view that each schedule in the postal service should be made self-sustaining, the credit for this idea being given to Hitchcock, and in order to justify his position concerning a raise in second-class rates an arbitrary figure has been placed on the cost of handling the same, the total "deficit" from this schedule being placed at about $70,000,000 annually. This amount was arrived at by what Second Assistant Postmaster General Stewart states was a complete record of the weighing of all mail handled by the Postoffice Department of matter originating in every postoffice and railway postoffice in the country for a period of six months from July 1 to December 1, 1907, together with the amount of mail carried in every railway car. The department in many instances has admitted the unreliability of the figures used, there having been many estimates employed.

Publishers of the country were represented by several attorneys who examined into the testimony given by Hitchcock, Stewart and Britt, and by a series of questions they showed that the conclusions of the three as to cost of handling second-class mail were made on a guess-work plan and not on a scientific or reasonably accurate basis of fact. Third Assistant Postmaster General Britt made the startling statement that "if all the magazines and newspapers were excluded from the second-class rates because of a circulation gained, *not on the merits* of the publication, but *because of some voting contest or offer of premiums as a bait, not 10 per cent. of the total would remain undisturbed.*"

This declaration was looked upon as an argument by the magazine publishers as favoring their contention that the advertising portions of their periodicals are justified by legitimate business reasons, as an increased volume of advertising enables publishers to issue periodicals of much higher literary excellence. The postal authorities held with firmness to the conviction that advertising matter in publications is primarily for the advantage of the publisher, and therefore should be charged a higher rate than reading matter. Postmaster General Hitchcock went on record before the commission as declaring that he would recommend to Congress an increase on the advertising portion of magazines and newspapers of a cent a pound additional. Assuming that the postoffice officials are prompted by a legitimate purpose in their desire to increase rates on second-class matter, their arguments before the commission have been transparently weak, and an unbiased mind they would fail in convincing, but the feeling is that the commission will accept the conclusions of the postal authorities that

the government rate of one cent a pound is inadequate for transporting second-class matter. To justify the position taken by the government that each schedule should maintain itself, the Postmaster General intends to press with vigor a reduction of first-class postage from two-cents to one cent a letter, he citing the profit on first-class mail and the alleged loss on second-class matter as his reason for the change of rate.

Religious and denominational publications were represented before the commission, the contention being made by these that the doubling of the rate on second-class matter would work very serious injury to the religious press, forcing many publications out of business. This statement was made by E. R. Graham, representing the Methodist Book Concern publications in Cincinnati and New York, and seemingly it made an impression on the members of the commission. The attorneys representing the publishers were much interested in Mr. Graham's statement, he being considered a competent authority on the matter.

One of the strongest arguments of the hearings, because of the experience which he has had as a postal official, was made by Mr. W. S. Shallenberger, who had served several years in Congress as a member of the Committee on Postoffice and Postroads. Mr. Shallenberger was for a number of years Second Assistant Postmaster General, and now represents the Interdenominational Publishers who issue Sunday school literature throughout the United States. This witness gave it as his opinion that an increase in the rate on second-class matter would cause magazines and newspapers to avail themselves of the facilities now offered by the express companies which are becoming active competitors of the government in transporting second-class matter, these corporations obtaining better rates from the railroads than is given to the government. Mr. Shallenberger expressed the view that since every civilized nation was cheapening the cost of postal service the fact that our country was seeking to increase the rate seemed to be reactionary.

Mr. Shallenberger served under six Postmaster Generals and all of these held that the government was carrying second-class matter at a loss. But his opinion was that there was a substantial profit in the present rate, at the same time condemning the idea that each particular schedule should be made to pay its own way, the stimulus toward encouraging other schedule receipts not being given its proper consideration. Mr. Shallenberger gave a hint concerning hidden influences seeking to have the second-class rate increased but did not enter deeply into this phase of the subject. The controversy between Mr. Shallenberger and Second Assistant Stewart was animated and prolonged, and touched on features connected with the compensation paid railroads for hauling the mail, the express companies getting better terms than the government, this statement being made by a representative of the Postal Progress League.

The strongest point the publishing interests made was when the superintendent of the railway mail service, Chas. H. McBride, testified that a considerable part of the estimate upon which the department's figures are based is guesswork and assumption, he admitting that if this were so the result would not be greatly different from what the officials first claimed. On the whole Superin-

tendent McBride's testimony was calculated to show that the Postoffice Department was desirous of making out a case against the second-class schedule, however necessary it was to twist figures and conceal facts in order to do so.

Mr. Wilmer Atkinson, publisher of Farm Journal, Philadelphia, combated the contention of the postoffice officials, as shown in their statements and tables, and declared with much emphasis that second-class matter stimulated first-class postage receipts. The statement of the cost of carrying second-class matter, placing it at nine cents a pound, is, according to him, "only a stereotyped guess that goes into the postoffice department report, each year," experts having repeatedly stated that there is no possible way of fixing the cost of carrying second-class mail. In the opinion of Mr. Atkinson the government could better afford to carry it free than not to carry it at all. "Gumption and common sense," declared Mr. Atkinson, "should rather be applied than indulging in worthless guessing."

Representatives of scientific publications, college journals, fashion papers, fraternal societies and trade periodicals appeared before the members of the commission during the sessions, and all entered emphatic protests against the increase. In numerous instances these interests made the statement that serious reverses would be encountered if the postage rate should be doubled, and that many publications would be forced to suspend.

The labor union press, an interest representing about 250 weekly and monthly publications, with a circulation approximating 1,250,000 copies was officially represented by President Samuel Gompers of the American Federation of Labor, and President Matthew Woll, of the Photo-Engravers' Union. Mr. Gompers entered vigorous protests against discriminations against labor publications and registered a severe censure of the method by which the Postoffice Department had hampered the official journals of the labor people. Mr. Gompers stated that the publications of the American Federation of Labor and its auxiliaries were all highly educational in their character and, in the event of an increase in the item of postage to the extent of 100 per cent additional, many of the best would be driven out of business with corresponding loss to the men individually and to the nation as a whole. Mr. Gompers' declaration was listened to with much interest.

President Woll dwelt on the far-reaching effect which the hampering of the labor press would have on the manifold business relationships involved in the printing industry, primarily directing attention to the more than a third of a million of workers in the printing trades alone. He then advanced to the foundation of the paper and machinery features of the proposition, viz., from the ore in the mine, from which the machinery was made, to the forest tree from which the pulp is ground. The tonnage of the transportation service of the country would at once be doubly interfered with, first in a reduced demand for material with which to make the paper and, secondly, the corresponding decrease in the weight of the finished product of the publications. In many features Mr. Woll made prominent the ideas which the "Postal Riders and Raiders" is promoting, in-

cluding the educational features of the immense volume of printing which comes from the printing press in all sections of the country.

The commission adjourned, subject to the call of Justice Hughes. However, it is understood that it will be called together in time to prepare its report to President Taft and to Congress when the session opens in December, 1911.

CHAPTER X.

POSTAL DEFICITS.

Now, let us look into and over that postoffice "deficit," to the origin of which the memory of man scarcely runneth back, and which Mr. Hitchcock, by some strenuous effort on *right* lines readily converted into a surplus—a $6,000,000 deficit into some hundreds of thousands of dollars surplus. The returns are not all in yet. At any rate the Postmaster General has not announced them loud enough for The Man on the Ladder to hear, or he was in his physician's hands when the announcement was made.

However that may be, Mr. Hitchcock has proved quite conclusively that there is no deficit—or, at least, no valid reason for one under present conditions.

And here, again, I desire to say that our present Postmaster General is deserving the praise or commendation of every American citizen for having demonstrated, by a few economies here and a few betterments there in the operation of his department, that the service *can* be rendered, and rendered efficiently, with an expenditure safely within the bounds of the department's receipts or revenues.

Especially is Mr. Hitchcock deserving of commendation for this demonstration, because in making it he has done what so many of his predecessors *talked of as desirable*, but failed to do.

But with full acknowledgment of the splendid effort Mr. Hitchcock has made in converting a postal deficit of $6,000,000 in 1909-10 into a surplus for the year 1910-11, I desire to discuss, briefly, postal department deficits of the past—or the future—and the origin and cause of them.

In the future pages of this volume little if any reference will be made to our vigorous Postmaster General's attempt to put onto the Senate course a rider that would run down certain periodicals which were to him and certain of his friends, as it would appear, of obstructive if not offensive character. It is possible, if, indeed, not probable, that I may, in this somewhat hurried discussion of our Postoffice Department deficits and their sources, cause and origin,

repeat something, in whole or in part, that I have said elsewhere in this volume.

The discussion of the postal deficits leads us into the *Raider* factor or feature of our general title—into a consideration of the political, partisan and business influences and interests which have for thirty-five or more years been conspicuously—yes, *brazenly*—looting the revenues of the department. I shall not be able to advert to all such influences, interests and persons. Especially can I not mention some of the *persons*. Many of them have gone to "their reward"—or to their punishment—as the Almighty has seen fit to assign them. As a matter of venerable custom and of current conventional courtesy we must leave them to His justice—to our silence. One by one many of the *dishonestly enriched* from our postal revenues have dropped into "the dead past," which Christ instructed should be left to "bury its dead." In our treatment of this subject we shall obey the Master's instruction—we shall discuss methods, practices, and *acts*, not men.

In turning to our subject directly, I desire to make a few positive statements or declarations.

1. The Postoffice Department is a public service department—a department intended to serve *all the people all the time.*

2. The people are paying, have paid, and are *willing to pay*, for their postal service.

3. The people do not care—never have cared—whether the expenditures exceed the receipts by $6,000,000 or $100,000,000, *if they get the service for the money expended.*

In comment on the last, I wish here to ask if anyone has heard much loud noise from the people about the army and the navy expenditures—*expenditures larger than that of any other nation on earth* for similar purposes?

Yet, for twenty or more years, the people have paid the appropriations for—also met the "deficit" bills of—each of those departments without any noticeable "holler."

But, again, it must be pertinently asked, what have the people received in return for their *billions* of expenditures for those two departments?

Yes, what? They have had the doubtful "glory" of having their army *debauch* some island possessions, maneuver for local entertainments and do some society stunts while on "post leave"—

which "leave", for epauletted military officers, appears to have occupied most of their time.

And the people have put up, ungrumblingly, $100,000,000 to $150,000,000 or more (I forget the figures), for a navy—a navy carrying on its payrolls more "shore leave" men and clerks than it has service men. (At any rate that was the showing in a recent year). For this vast expenditure of their money the people got—*got what*?

Well, for their hundreds of millions expenditure on that navy of ours, the people, to date, have received in return *newspaper reports* of numerous magazine and gun explosions with, of course, a list of the killed and wounded, and reports of "blow-hole" or otherwise faulted armor plate, turrets, etc., of raising "The Maine," of shoaling this, that or the other battleship, or of "sparring" or "lightering" off, to the music that is made by a "blow-in" of fifty thousand to two or three hundred thousand more of their money.

Reader, if you read—if you have read—the "news"—the periodical literature—of those past twenty years, you will know that the people have received little or no returns for the vast expenditure of money—of *their* money—that their representatives (?) have made for the Navy Department.

Oh, yes, I remember that our army and navy fought to a "victorious" conclusion the "Spanish American" war.

No patriotic American citizen alive at the time that war occurred will ever forget it. He will ever remember Siboney, Camp Thomas, Camp Wycoff, and the cattle-ship transports for diseased and dying soldiers. He will also remember the "embalmed beef" and the "decayed tack" and other contracts and contractors.

If the patriotic citizen has been an "old soldier," or is familiar with the history of wars, he will also know that, if the whole land fighting of that Spanish American war was corralled into *one* action that action would be infinitely less sanguine than was the action at a number of "skirmishes" in our civil war—that, if the several naval actions of that war were merged into one, it would not equal, in either gore or naval glory, Farragut's capture of Mobile, the action in Hampton Roads, nor even Perry's scrimmage on Lake Erie in 1813.

What has all this to do with the postal department deficit, some one may ask? It has just this to do with it:

If a people stand unmurmuringly for the expenditure of *billions*

for a service that yields them no return, save a protection *they have not needed* and of doubtful security if needed, that people is not going to raise any noisy hubub over a dinky deficit of a few millions a year for a service which should serve them *every day of every year.*

I have expanded a little, not disgressed, in writing to my statement numbered 3. I will now proceed with my premeditated statements. Some of them may be a little frigid, but none of them are cold-storage. Some one may have told it all to you before, but that is his fault, not mine. He merely beat me to the *facts.*

4. As stated in a forward page of this volume, the people of this nation want and demand *service* of its Postoffice Department. They care not to the extent of a halloween pea-shooter whether the service is rendered at a deficit of six million or at a surplus of ten million, *if service is rendered for the money expended.*

5. The people of this country will object more strenuously against a *surplus* in their postal revenues—their service tax—than they ever have or will object to a deficit in the revenues of that service, *if they get the service.*

6. The Postoffice Department is not understood—is not even thought of by intelligent citizens—as a *revenue-producing* department. It *is* understood to be a *service* department, and the citizen—His Majesty, the American Citizen—is always willing to pay for services rendered.

7. The Postoffice Department has not in the period named—no, not for thirty or thirty-five years—*rendered the citizen the service for which he paid.*

I mean by that, of course, that the citizen has been compelled to pay far more for a postal service than he *should have paid for that service.*

8. Had that service been *honestly, faithfully and efficiently rendered,* the price the citizen has paid for it *would have left no deficit for any year within the past thirty.*

9. *The only deficits in those thirty or thirty-five years have been the result of manipulated bookkeeping, of political trenching into the revenues of the department, of loose methods in its management, of disinterest in the enforcement of even loose methods, and of downright lootage and stealings.*

"Rather harsh that, is it not?" asks one.

"Mere assertion," says another

To the first I need only say that this is an age not congenial to milk-poultice talk. I have previously expressed my opinion on that point. If you have a thing to say, say it *hard*. The majority of people will then understand you. Those who do not understand you can continue their milk poultices—or believe and talk as they are told *or are paid to believe and talk.*

The latter—the reader who yodles that my preceding nine statements appear to be assertions only—can make a courteous and, possibly, a profitable use of an hour's leisure in reading a few following pages, before he *rusts* into the belief that those nine "assertions" are groundless assertions.

In showing that there is no "deficit"—a shortage of receipts in the Postoffice Department over its legitimate expenditures—I shall not take my nine statements up seriatim, but present my reasons in a general way for having made such blunt declarations. I may go about that, too, in an awkward way, but the reader who follows me will get my reasons for making those nine declarations.

NO CREDIT ALLOWED FOR SERVICES RENDERED OTHER DEPARTMENTS.

If the department of public works in Chicago does a piece of bricklaying, concrete or other construction work for the police, fire, health or other department of the city government, or if it carts or hauls away some excavated material or razed debris for any of those other departments, the service rendered is made a *charge* by the department of public works *against* the department for which the service is rendered.

What is true in this instance in Chicago's municipal government is true of every other city or incorporated town in this country that has its service departmentized.

If the County Commissioners of McCrackin county build a bridge or culvert for Ridgepole township in the county the cost of constructing that bridge or culvert (or a proportional share of it, if on a general highway), is made a charge against Ridgepole township.

If the transportation department of the United States Steel Corporation delivers the services of three steam tugs (services rated at $30.00 per day) to the corporation's smelting or rail departments

there is a credit of $90.00 given to the transportation department, and a corresponding *charge made against the department for which the service is rendered, for each day's service rendered.*

That states a recognized business rule and practice among both private and public corporations. Its valid and *just* purpose is to prevent the loading upon one department (any one department) the expenses created or incurred by another.

Is it not a valid, fair and just method of business?

If it is not, then the largest merchants, the most productive and profitable manufacturing establishments, transportation companies, banking and other mercantile, industrial and financial institutions have not discovered the fact.

If the owner of an Egyptian hen ranch had a shrinkage in his castor bean crop, he would not think of charging the cost or loss on those castor beans up to his hens, would he? Hens do not eat castor beans. That is useless—well—yes, of course. Well, hens do not eat castor beans, anyway. So my ill-chosen illustration, though may stand—stand anyway until someone finds a breed of hens which likes castor beans.

But, if the hens of that hen-rancher invaded his vegetable garden, scratched up his set onions and seeded radishes, pecked holes in three hundred heads of his "early" cabbage and otherwise damaged the fruits of his labor, care and hopes—likewise disarranged his figures on prospective profits—if the hens did that, that hen-rancher would most certainly charge his loss to the hens, would he not?

That is, he would do so, if the hens had attended to their legitimate business as industriously as they looked after his vegetable garden and, by reason of that legitimate effort, showed a "profit balance." The preceding is based, of course, on the assumption that the rancher has acumen enough to distinguish a hen from a rooster and a sunflower from a cauliflower. If he is so wised up, whether by experience and observation or by academic training, he will most certainly charge his loss on vegetables against those hens.

"What is the application of all this to the Postoffice Department deficits?" some one is justified in asking.

Well, my intended application of it is, first, to show a generally recognized and practical business method—a business method practiced by both public and private corporations and by individuals and

firms, from the hen-rancher to the department store. My second purpose is to show that this almost universally recognized business method has been and is *totally ignored in conducting the vast service affairs* of the Federal Postoffice Department.

FREE-IN-COUNTY MATTER.

The 1910 report of the Postoffice Department states that 55,639,177 pounds of second-class mail was carried and distributed *free* in the counties of these United States.

Of course, this 1910 *gift* to country publishers is the result of a moss-grown custom—a custom born of an ingrown desire common to crooked politicians—a desire to trade the general public service for *private* service. All the second, third and fourth class cities in the country, as well as a majority of our towns and larger incorporated villages, have their *party* newspaper or newspapers.

Comparatively speaking, few of them have any extensive telegraphic service, if any at all, in the gathering of news. Those which have not, capture the early morning editions—or the late evening editions of the day before—of two or more metropolitan papers, "crib" their "news" and deliberately run it, in many instances, as special wires to their own sheets. In some cases, which I have personally noticed, that practice was indulged when their own "newspaper" consisted of but two to four locally printed pages reinforced by a "patent inside." Why should such newspapers (?) be given "free distribution" in the county of publication?

They contain little if any real news and less matter of any real informative or educational value. True, the most of them do publish a "local" column or half column of "news" for each or for several of the outlying villages in the county of publication. These "local news" columns inform the reader that "Mr. Benjamin Peewee circulated in Boneville on Wednesday last;" that "Mrs. Cornstalk and her daughter Lizzie are spending the week at the old homestead, just south of town," that "Mr. Frank Suds shipped a fine load of hogs from Bensonville on Friday of this week," etc., etc.

Most edifying "news" that, is it not? So didactic and brain-building, is it not?

Now, why should the Postoffice Department carry those millions of pounds of Reubenville sheets *free?*

The department report says it carried about 56,000,000 pounds of such "periodicals" free last year. The figures for this year (1910-11) will probably be around 60,000,000 pounds.

Why should the department give away $600,000 in revenues?

Besides that, *the department does not know how much of this* "free in county" matter it does carry and distribute. Of course, it may be able to make a more dependable *guess* at the total tonnage of such second-class matter than can I. However, any one who has been around the "county seat" or the "metropolis" of any of the "hill" or "back" counties during a county, state or national canvass for votes will know that the postmaster's scales are often sadly out of balance when he weighs into circulation the local newspaper. In fact, it frequently happens that he does not weigh it at all—especially not, if it be an extra or extra large edition issued "for the good of the party"—and more especially not, if the edition is issued to serve *his* party.

"It goes free anyway, so what is the difference?" the postmaster may argue, and with fairly valid grounds for such argument. The department, acting, pursuant of law, says "carry and distribute your local papers *free* inside your county." So what difference does a few hundred or a few thousand pounds, more or less, make to the department?

Why, certainly, what difference can it make? It is all done for "the good of the party," is it not?

This condition, governing, as I personally know it does govern, furnishes my chief reason for saying that the Postoffice Department does *not* know—does not know even approximately—the tonnage of the "free in county" matter it handles. It never has known and does not *now* know, within *millions* of pounds, the weight of such matter it carries and distributes.

Again, I ask, why is this vast burden thrown onto the department and the department getting not a cent of either pay or credit for carrying it? Is it because of a paternal feeling our federal government has for the poor, benighted farmers of the country? I can scarcely believe it is. The farmers of this country are neither poor nor are they benighted. If they were, free carriage and distribution to them of these local sheets has not enriched them to any appreciable extent, however much such free carriage and delivery may have add-

ed to the bank accounts of the publishers of such periodical literature. Besides, ninety-five in every hundred farmers whose names are on the publishers' subscription books *pay their subscriptions.* They usually pay, too, a pretty stiff rate—$1.50 or $2.00 for a "weekly," which gives them mostly borrowed news and much of it decidedly stale at that. If a beneficent government grants its "free in county" postal regulation with a view to dissipating the gloom which clogs the garrets of our "benighted farmers," that government misses its purpose on two essential points. Our farmers, as previously intimated, are no more benighted than are the residents of our villages, towns and cities, and even if their ignorance was as dense as a "practical" politician's conscience, the medium which the Government delivers to them, carriage free, seldom contributes much enlightenment.

No, it was not for either the enrichment or the enlightenment of the dear farmer that the present "free in county" postal regulation was made operative. It was to give some local party henchman a fairly profitable job as publisher of a county newspaper—a party newspaper—and to have, in him, a county "heeler" who would divide his time between building the party fences and telling the dear farmer how to vote.

It is due to the publishers of country newspapers to say, that hundreds of them have grown away from rigid party ties—have grown independent. It is also but just to say that as these publishers have grown independent of party dominition, their newspapers have improved. We have now many most excellent country papers published in our "down state" cities and larger towns.

The points I desire to make, however, are, first, the "free in county" mail delivery regulation was originally adopted for partisan political purposes, not to serve the farmer residents of the counties, and, second, that such regulation is unjustly discriminating and is raiding the service earnings of the Postoffice Department to the extent of at least six hundred thousand dollars annually. In my opinion such raiding will reach seven or eight hundred thousands a year.

FRANKED AND PENALTY MATTER.

Going back now to that generally recognized and practical business method referred to and which the government presistently

refuses or neglects to adopt in handling and directing the fiscal affairs of its Postoffice Department, we find another raid on that department's revenues.

Third Assistant Postmaster General, James J. Britt, makes a sort of estimate of the amount of free second-class matter of Government origin the Postoffice Department transported and distributed during the fiscal year ended, June 30, 1910. Mr. Britt places the figure at 50,120,884 pounds.

Mr. Britt's estimate is based on a six months' weighing period in 1907 (the last half of that year.) It is reported as a "special weighing" and showed 26,578,047 pounds of "free in county" second-class matter and 23,941,782 pounds of free franked and penalty matter of the second-class. Mr. Britt then proceeds (page 335 of the department report for 1910), to arrive at his estimated tonnaged of franked and penalty matter by assuming that the weight ratio of such second-class matter to "free in county" matter would be about the same for 1910. He says: "If, as it seems reasonable to believe, the relative proportions of this character of matter have remained the same," there would result for the fiscal year 1909-10 the figures he gives for the franked and penalty tonnage, or 50,120,884 pounds.

Well, to The Man on the Ladder it does *not* seem "reasonable to believe" that such method of estimating is sound nor the tonnage result attained by it dependable. The year 1907 was a decidedly off-year in franked matter of the second-class. The then President kept most of the Senators and Congressmen guessing as to just what he intended to do in the matter of the presidential nomination of his party. In fact, he kept a goodly number of federal legislators guessing on that point until well along in 1908. The result of this condition of doubt was greatly to lessen the franked mailings and also reduced in material degree the mailing of departmental, or "penalty" matter of the second-class.

For this and several other reasons, the tonnage of franked and penalty matter reported as carried in the last half of 1907—even if the "special weighing" Mr. Britt mentions was accurate and dependable, which it *was* not and could not be, either then or now, under the lax methods by which such weighings were and are made—the reported weight of such franked and penalty matter carried in the last

half of 1907 furnishes no fair or safe basis upon which to predicate 1910 totals or to base a dependable estimate of them.

Another defective factor is used in Mr. Britt's estimate—the reported total weight of "free in county" second-class matter as ascertained by special weighing in the last half of 1907. As previously stated in discussing the raid of six to eight hundred thousand dollars a year made upon the postal service revenues by this "free in county" matter, the department's reported figures for it are little more than a robust *guess* at its tonnage, even now, and the figures given for 1907 are much less trustworthy than are the department's estimates and guesses for the fiscal year ended in 1910. Whatever may be said of its faults and faulty purposes, it is but simple justice to say the present departmental administration has shown more judgment and activity and has put forth more strenuous effort to get to the bottom of things and at dependable facts in mail weights than has been shown by any of its recent predecessors.

Still, I repeat that its reported figures for the total tonnage of "free in county" for carriage and delivery of second-class mail matter are not sufficiently reliable to warrant their use as a basis for making a dependable estimate of the tonnage of another free division of second class mail. Especially unreliable are the figures reported as total tonnage of free-in-county-matter as a basis for estimating the tonnage of a division of the service so far removed from "free in county" as is that of free franked and penalty matter.

All that aside, however, the fact is the Postoffice Department should receive credit for every pound of franked or penalty matter it handles for the legislative and other departments of the government service.

Mr. Britt himself appears to recognize the force of that fact. On page 335 of the department report for 1910, he speaks as follows:

> The public mind seems unusually acute on the subject of free mailing facilities, and there is much criticism in the public press of the continuance of the franking privilege and the use of the penalty envelope, the suggestion being often made that the same should be abolished and that this department should receive proper credit in accounting for matter now being carried free. It is therefore suggested that consideration be given to the desirability of eliminating the transportation of mail matter under frank or penalty clause, in order that the Postoffice Department may receive due and proper credit for the tremendous, and in some

part possibly unnecessary, services which it is performing free, to its apparent financial embarrassment.

It is probably true that the use of the penalty envelope and the franking privilege is availed of with undue liberality, even if not actually abused, as is often alleged; that is to say, the same care is not taken to confine the mailings of governmental and congressional matter to only that which is necessary as would undoubtedly be the case if there were a strict accountability for their use.

It will be noted that Mr. Britt in the foregoing covers other than second-class mail matter. Taking the figures of his estimate of the volume of free franked and penalty matter of the second-class (51,000,000 pounds in round numbers, which I believe is so conservative as to be far below the actual tonnage), then the various other departments of the government are raiding the revenues of the Postoffice Department to the extent of $510,000 for the carrying and handling of their second-class mail alone. That is, they are requiring the Postoffice Department to render to them without pay or credit over a half-million dollars' worth of service a year. That is figured at the 2nd class rate of 1 cent a pound. If Mr. Britt's own estimate, on another page of the same report, that it cost the Postoffice Department 9 cents a pound to transport and handle second-class mail, is correct, which as previously shown it is not, then other departments of the government would be raiding the postal service revenues—revenues which private individuals, firms, corporations and governments subordinate, now alone pay—to the extent of more than $4,500,000 a year.

It must be borne in mind by the reader, however, that Mr. Britt's estimate of 51,000,000 pounds (a round figure) of second-class matter carried and handled free by his department for other departments of the federal government does not represent the total of service rendered those other departments for which the Postoffice Department received neither pay nor credit. Far from it.

Hundreds of tons—how many hundreds of tons, I do not know, nor have I been able to find an authority or record to inform myself—of letters and other sealed matter were carried and distributed by the Postoffice Department for other departments. For that service not a cent in pay or credit was received.

It must be remembered that the service rate for carrying and handling the class of matter (first-class) we are here speaking of is 2 cents per ounce or fraction thereof. That is, the rate is not less than

32 cents a pound, not 1 cent a pound as is the rate on second class on which Mr. Britt gives his estimate of tonnage carried.

Why should not the Senate and the House, the Judicial, War, Navy, Interior and other departments of the government be required to provide in their annual appropriation bills for paying for the first-class service furnished them by the Postoffice Department?

The postal service of the government is also rendered free to the several departments to handle all their third and fourth class mail matter. What the annual tonnage of these two classes aggregates I have been unable to learn. Whether or not the Postoffice Department keeps any records showing the aggregate mailings by the other departments, I do not know. I do know, however, that it gets neither pay nor credit for transporting and handling the third and fourth class matter put to mail by the other departments of the Federal Government. That the total weight mailed must run into many hundreds of tons yearly for each of the classes named there can be little grounds for doubt or question, records or no records.

The mailing rate on third-class is eight cents a pound. On fourth-class it is sixteen cents a pound. Those are the rates the people have to pay. That both rates are outrageously excessive is well known to every one who has made even a cursory study of the cost of transporting and handling government mails, and the irony of it all is the stock arguments put up by postoffice and other federal officials to justify such outrageous rates.

"The rates are necessary to make the Postoffice Department self-supporting—to avoid a deficit," or statements of similar washed out force and import. And that in face of the fact that the government permits its departments, bureaus, divisions, "commissions," etc., to raid the postal revenues by loading upon the postal service the cost of transporting and distributing thousands of tons of mail matter for which it gets not a cent of pay or credit.

Nice business methods or practice that, is it not?

Beautiful "argument," this prattle about deficits in the postal revenues, is it not?

Why, it is humorous enough to make empty headed fools laugh and sensible men use language which postal regulations bar from the mails.

Think of the tons upon tons of official reports, of the bound

volumes of the Congressional Record, of copies of the Supreme Courts rulings and other printed books and pamphlets distributed by the Departments of War, Navy, Agriculture, Interior and others.

All these fall into the third-class, or 8-cent-a-pound rate.

Think of the tons upon tons of seeds—farm, garden and flower—sent by Congressmen to their constituents—to thousands of constituents who do not need the seeds, in fact, who can make no possible use of them; of the tons upon tons of clothing, suitings, household bric-a-brac, etc., franked by Senators and Congressmen to their homes, to their wives, children, sweethearts or friends.

Investigations in the past have shown that hundreds of typewriters, office desks, even articles of household furniture, were sent home under frank.

It was also shown in several instances, if I remember rightly, that some of the typewriters, etc., were never franked back to government possession. However that may be, all such mailings are of the fourth class and fall into the 16-cent a pound rate for carriage and handling.

Let us here foot up the amount of the raidings on the postal funds, so far as we have gone.

First,—There is the free-in-county second-class—$600,000 to $800,000.

Second,—There is the free second-class franked and penalty matter. Third Assistant Postmaster General Britt "estimates" it at $510,000, figured at the present one-cent rate. I have shown the weakness of Mr. Britt's *basis* of estimate. In my judgment the tonnage of franked and penalty second-class mail is nearer 75,000,000 pounds than his estimate of 51,000,000 pounds. But to take Mr. Britt's figures, there is another raid of $510,000 on the service revenues of the Postoffice Department.

Next, we have the free *first*, *third* and *fourth* class matter which the postal service handles under franking or penalty regulations.

How much does this raid total? How much has and *does* this raid contribute toward the creation of that "deficit" which has so long, so continuously and so *brazenly* been used to bubble the people in politico-postal oratory and writing?

The reader must keep in mind that we are here asking about the thirty-two, the eight and the sixteen cents a pound classes of mail. To what extent have the various departments of the government

raided the postal funds by taxing the postal service with their overload of the character indicated? That they have taxed the Postoffice Department's revenues by demanding of that department its highest class and highest rated service in *unlimited* degree, and that, too, without *one cent of compensation, pay or credit,* is a fact which no informed man will attempt to controvert.

But what did such service (and abuse of service) cost the Postoffice Department? To what extent did and *does* this "frank and penalty" *privilege* in first, third and fourth class use of the mails loot or raid the postal revenues?

Is it to the extent of three, two or one million dollars? Is it lower than the lowest or higher than the highest figures just named?

I do not know—do you? Have you, the reader, been able to ascertain from the records of the Postoffice Department, or elsewhere, any figures or data that enables you to make even a "frazzled" guess at the *approximate* cost to the postal department of this unjust—*this politically and governmentally crooked* burden put upon it?

I have hunted and have found nothing but talk, and a few figures scattered here and there and gathered from—well, the Lord may know where. But the Lord has failed to inform me. So I am in ignorance—am benighted, just like our "poor farmers," both as to the source of the figures I have seen and as to their force and value in reaching a fair conclusion as to the aggregate amount of postal revenues the departmental raiders have been and *are* carrying off. If any reader knows or can dig up the facts, he will confer a great favor by handing the information to The Man on the Ladder. Not only that, but I am confident that the people of this country will give such reader a niche, if needed not a conspicuous position, in *their* Hall of Fame, if he will give them even a dependable approximation of the extent to which the postal service revenues are raided—looted—by federal department abuses—*their service and their money,* for the departments pay not *one dollar* for the thousands of tons of mail matter of the various classes which the Postoffice Department transports and handles for them.

So far or so long has this departmental—*bureaucratic,* that is what it is—practice of raiding the postal revenues by *loading its service* continued, that the Postoffice Department has been and is *looting itself by the same practice.*

This volume is written during what is known as the "weighing period" in the postal service, the weighing being done to establish a basis for *four years* on which the railroads transporting the federal mails shall be paid. In other words, as basis for a "railway-mail-pay" rate, which rate will govern railway contracts for carrying the mails for a period of four years.

During the current weighing period I have, at various times, both during the day and at night, watched the weighing for varying intervals of from an hour to two hours. Among the revenue raids observed during those hours of leisure (?), I shall here mention a few. As the present Postmaster General treats all departmental, or "penalty," matter as "franked" matter (See page 11 of the Postoffice Department report of 1910), I shall, in the brief mention of personally observed facts at several railway stations in Chicago do likewise.

(1) Three carloads of Senate speeches, franked to Chicago in bulk, the bulk then broken and the speeches remailed, under frank, to individual addresses.

I do not know the tonnage of those three cars. Local newspaper reports stated that there were 3,000,000 copies of one of the speeches. I take it that sixty tons is a low figure for the three carloads. The actual weight was probably nearer ninety tons. But leave it at sixty, the remailing in piece at bulk destination makes the weight 120 tons on which the Postoffice Department had to pay transportation, on sixty tons of which it also had to stand the expense of piece handling.

(2) Another carload of Senatorial vocal effort passed through Chicago to a destination far west. I do not know, but presume it was in bulk, and on arrival, bulk was broken and the matter returned to mail for piece distribution.

The reader must not overlook the fact that the character of matter carried in those four carloads was third-class—was *eight-cent-a-pound matter*. There were eighty tons or more of it in bulk and its remailing in piece would make it 160 tons.

If a manufacturer, merchant or other business man put to mail 160 tons of third-class matter he would contribute to the postal service revenue just $25,600.

(3) Three crates of fruit went into a mail car at one time, two cases of canned goods at another and a crate of tomatoes at another,

without passing over the weighing scale. A drum of coffee, fifty to eighty pounds in weight, went to mail at another time, and a large sack of sawdust at another.

Both of the last mentioned *went over the weighing scale before they went to the mail car.*

I am speaking only of what casual or chance notice brought to my attention in three railway stations in Chicago. If similar or corresponding abuses were indulged at other stations here, as it is a legitimate inference they were, it is also a legitimate inference that similar abuses were, and are, practiced throughout the country, especially in cities of the first, second and third classes—in cities and towns on which has been conferred the distinguished honor of having their mail handled under the watchful eye and supervising care of a "Presidential Postmaster," that is, by a postmaster appointed by the President *for partisan reasons and prospective uses.*

Again going back to our mutton, I repeat the question, "What is the extent of this 'franking' and 'penalty' raid upon the revenues of the Postoffice Department?" I have cited three local instances merely to give a "hunch"—to blaze a line along which thoughtful people may safely think, and think to some fairly satisfying conclusion. I do not know the extent of the *lootage* of postal revenues by the uses and abuses of those "frank" and "penalty" regulations. You do not know, and the present Postmaster General *admits* he does not know, nor has he any means or method of ascertaining.

On page 11 of the report of the Postoffice Department for the fiscal year 1909-1910, Mr. Hitchcock very frankly states the fact and gives his personal opinion of the extent of the franking raid upon the service of his department. He also suggests a partial remedy which also I shall quote because it is a good suggestion, on right lines, and for making it Mr. Hitchcock deserves the thanks of a people over-burdened by the abuses his suggestion would, I believe, correct in material degree. At any rate, the suggestion is on right lines. Following is what he says:

> The unrestricted manner in which the franking privilege is now being used by the several federal services and by Congress has laid it open to *serious abuses*—a fact clearly established through investigations recently instituted by the department. While it has been impossible without a better control of franking to determine the *exact expense to the government* of this practice, *there can be no doubt that it annually reaches into the millions.* It is believed that many abuses

of the franking system could be prevented, and consequently a marked economy effected, by supplying through the agencies of the postal service special official envelopes and stamps for the free mail of the government, all such envelopes and stamps to be issued on requisition to the various branches of the federal service requiring them, and such records to be kept of official stamp supplies as will enable the Postoffice Department *to maintain a proper postage account* covering the entire volume of free government mail.

"There can be no doubt that it annually reaches into the millions," says Mr. Hitchcock of the cost to his department of transporting and handling the government free mail matter—frank and penalty matter. It should also be noted that he says that "the unrestricted manner in which the franking privilege is now being used by the several federal services and by Congress, has laid it open to *serious abuses.*"

Not only are the foregoing statements of our Postmaster General true, but with equal truth he could have said that the abuses of the postal service practiced by other federal departments have encouraged—have coached, so to speak,—the Postoffice Department into *abusing itself.*

Those crates of fruit and cases of canned goods which I saw loaded into mail cars were probably for some postmaster who conducted a grocery or fruit stand, as a "side" to his official duties. Or they may have gone to some "friend" or "good fellow" along the line, or to some one who stood for a "split" of the express charges on such a shipment.

The drum of coffee and sack of sawdust may have had consignees of similar character. But their shipment as mail matter showed another abuse of the postal service by the Postoffice Department itself, or by employes of that department. *They were weighed into rail transportation at a time when the average weight of mail carried during a period of three or six months would govern the rate of pay the transporting railroad would receive for carrying the mails during a period of four years.*

The same might be said of the four carloads of Senatorial eloquence referred to on a previous page. Those cars were franked through *during the weighing period* in the postal service. There is this difference, however, between those four cars of franked eloquence and the drum of coffee and sack of sawdust. The former was an abuse of the postal service and a raid upon its revenues *by permission, if not*

by authority, of the postal statutes. The latter was an abuse of the postal service and raid upon its revenues *by employes of the Postoffice Department itself.*

But the point we are after is the extent of federal departmental raid upon the postal revenues. How much is it? I have confessed my ignorance of the sum such raid will total. Our Postmaster General has (see last preceding quotation), confessed his ignorance of the total. He says there can be "no doubt that it annually reaches into many millions."

I have no other evidence or authority at hand save the testimony of William A. Glasgow, Jr., before the Penrose-Overstreet Commission in 1906. Mr. Glasgow represented the Periodical Publishers' Association. In presenting the case for that association—strong, reputable body, representing vast business and public service (educational, social, fraternal and trade interests)—Mr. Glasgow used the following language:

> You may take the revenues of the Postoffice Department and give *away $19,000,000 per annum in the franking privilege to other departments of government* and then give away $28,000,000 per annum in the beneficent advantages of rural free delivery, and then lose millions in unequal and exorbitant transportation charges, certainly $5,000,000, and thus create an apparent and artificial deficit and use that as a basis for further taxation upon those who read magazines, but no one will be deceived by such an excuse and no wise Congress will be moved by considerations so transparent or necessities so unreal.—*Page 544 Penrose-Overstreet Report (Hearings), 1906-7.*

If Mr. Glasgow were speaking in 1911, I have no doubt he would have raised his figure of $19,000,000 to *twenty or more millions* as a nearer approximate of the total of federal departmental raids upon the earnings or revenues of the Postoffice Department.

Do not misunderstand me.

All legitimate departmental service *should* be rendered by the Postoffice Department, but that department *should receive credit for such service rendered.*

The departmental "abuses" of the postal service are *steals.* They should not be tolerated. If extra-departmental service is rendered (as is well known it is), *it should be paid for just the same—and at the same service rates—that Jim Jones, Susie Bowers and Widow Finerty are compelled to pay for similar service.*

Now, we have raidings on the postoffice revenues by the govern-

ment departments themselves, including free in county, and by the Postoffice Department's looseness of methods in handling its own business, of somewheres around $22,000,000 a year, not counting the *stuffing* of weights during the "weighing period", which goes to swell the railway mail pay rates for mail carrying railroads for a period of four years.

As to the last, I wish to say that Mr. Hitchcock, the present Postmaster General, has done *more* to correct such weighing frauds than has any of his predecessors within the range of my study of the question. Yet it lingers—hangs on to an extent which should put some subordinate postoffice officials and railway officials in restraint —put them out of range of opportunity for such looting.

In the face of an annual raid of $22,000,000, what is the use of all this prattle—prattle extending over years—about *deficits* in the postal service? Will some one kindly rise in the front pews of the postal department or in the sanctum of its *beneficiaries* and tell us?

There is no deficit in the postoffice service revenues. The people pay and have paid for more service than is rendered—for more service than they have received or do receive.

"But what difference to the people does it make whether they pay for carrying the departmental mail out of the postal revenues or have each department pay for its own mail carriage and handling?" is a common answering interrogative argument (?) to my immediately preceding charge that the various government departments *raid* the postal revenues to the extent of "many millions," as Mr. Hitchcock has put it. "The people have to pay for it anyway, do they not?"

Just so, and what difference does it make? Well, here are a few points of difference which might be seen and comprehended without jarring any fairly normal intellect off its pedestal:

1. To have the departments pay or give credit to the Postoffice Department for the service it renders to them is an honest and approved method in any other business. The present method not only violates sound business principles but is *dishonest* as well—dishonest because it throws the burden of those "many millions" for mail haulage and handling of franked and penalty matter *upon the postal rate papers*, and not upon all the people of the country as it should.

2. If the free congressional and departmental matter now costs,

say $20,000,000 a year for mail haulage and handling, then the government is practicing a policy which both *originates and distributes revenue without appropriation.* In other words, the general government in such practice unsurps the function of originating revenue which function, under the Constitution, is vested in the Lower House of Congress.

Next, the general government distributes that $20,000,000 (or its equivalent in service, which amounts to the same thing), to the several departments, or lets each department raid that service as it pleases. It does this in flat violation of another section or clause of the Federal Constitution which provides that the cost of maintenance and operation, including any contemplated construction and permanent betterments, shall be provided for in an *annual appropriation bill.*

3. The recommended method would greatly lessen the "abuses" of the postal service by government departments and officials of which Mr. Hitchcock speaks. On the other hand, the method of the present and the past *invites* such abuses. Abuses grow but do not improve with age. Each year the abuses of which Mr. Hitchcock speaks in his 1910 report have grown until *abuses* is scarcely a fitting designation for them. These abuses of the postal service have grown, and grown in such a stealthy, porch-climbing way, that they amount to a *colossal steal* every year.

4. When they hear so much yodling about "deficits" in the Postoffice Department, millions of our people are led to believe that such deficits are created by an excess of cost over receipts in carrying the letters, postal and postcards, the newspapers, magazines and other periodicals, the books and merchandise, which the people themselves entrust to the mails for delivery. They hear that the postal service "should be self-supporting," that "each division of the service should be self-sustaining" and then they are called on for higher service rates to meet "deficits."

Why should this great government of ours permit its officials longer to gold-brick the people with such ping-pong talk? Why not tell the people the truth, or at least give them an open, honest opportunity to learn the truth?

The annual federal appropriation bills informs them at least of the "estimated" expenditures for the year for other departments.

Why not give them an *honest* estimate of what it costs the Postoffice Department to render a service *which should serve them?*

Other easily comprehended differences between the present method of loading all governmental mail service upon the Postoffice Department without pay or credit for the vast service rendered and a method which would give that department such credit could readily be mentioned. However, the four points of difference between the two methods above cited, and the advantages which would accrue both to the service and the people by adopting an approved, honest business method instead of the present unfair, foolish and *dishonest* one, are sufficient, I think, to convince the reader that there *are* differences between these right and wrong ways of handling the nation's postal service—its governmental mail matter—that are of vital importance—differences which on the one hand invite raidings, waste and *lootage* of the postoffice revenues and on the other would make for economies in the service and for business care and *honesty* in the use and expenditures of those revenues.

EXPRESS COMPANIES CONDUCTING A CRIMINAL TRAFFIC.

But, says another apologist for the loose, wasteful methods of the Postoffice Department in handling both its service and its revenues, "The postal service was originally instituted for handling the government mail only."

That be as it may, though I doubt the sweeping assertion of the statement made, just as I doubt the integrity and truthfulness of purpose of the person making it. It came to my notice as part of an argument (?) in defense of the outrageous railway mail pay and mail-car rental charges which mail carrying railroads have *been permitted* to collect from the postal revenues *paid by the people*. But whether or not the postal service was originally intended to be merely a dispatch service for transmission of government orders, documents, etc., can stand as no valid reason now for the Federal Government's permitting its several departments to use and abuse the vast system for intercommunication among the people which it has permitted to be built up, and for the building of which it has taxed (by way of postal charges) those who made use of the system—taxed them *excessively*, if indeed not somewhat unscrupulously—whether or not, not, I say, the government originally intended the mail service to be

an exclusive service for use of the government only has no present bearing. If such was the original intention, the foolishness of it must soon have become apparent, for we find that federal laws were enacted to establish a general postal service *for all the people*. Not only were laws enacted for the establishment and regulation of a mail service, but by the law of 1845 it was clearly intended to make such service a *government* monopoly. Section 181 of the federal statutes reads as follows:

> Whoever shall establish any private express for the conveyance of letters or packets, or in any manner cause or provide for the conveyance of the same by regular trips or at stated periods over any post route which is or may be established by law, or from any city, town or place between which the mail is regularly carried, or whoever shall aid or assist therein, shall be fined not more than $500, or imprisoned not more than six months, or both.

The foregoing makes it quite evident that, as early as 1845 at least, this government of ours did not intend or design the service on mail routes then existing, nor on routes to be established, was to confine itself to the carriage and handling of government matter only. The establishment of rail post routes and the greater facility and speed with which such routes would handle the people's mails—"the letters, packages and parcels of people residing along such mail routes"—was one of the stock arguments of the Illinois Central Railroad promoters in 1849-50—an argument designed to justify before the people a grant of land to the chartered company so large as to make the grant a *colossal steal*. The same or similar argument was turned loose and persuasively paraded in the oratorical procession which preceded the vast federal land grants, or land steals, in connection with the building of transcontinental or Pacific rail lines.

Enough has been said to show quite conclusively that whatever may or may not have been the "intention" of the government at the first establishment of a mail service—a service then wholly by water transportation, by runners and by a "Pony Post" and mail coach—a decision was very soon reached to make the postal service a public one—a service for all our people—and to give the government *a monopoly of that service*.

No one reading the section of the Revised Statutes of the United States above quoted will attempt to controvert the statement last made.

Then, it may be asked again, and justly, too, why does the

government continue to permit its various departments to overload and to *loot* the postal service, the revenues for maintaining which the people—the mail-using portion of the people—alone contribute?

It also may be justly asked, why does the government permit its postoffice and other officials to *scream* at the people about "deficits," when they have already paid far more than the service—*their* service—costs the government?

Other equally pertinent questions might be asked, but I shall forbear. I have shown, I believe, that the raids upon the postoffice revenues by free-in-county matter and by government itself would *more than meet* any "deficit" yodled about in recent years.

That is what I started to demonstrate in this chapter. But there are other raids and raiders upon the revenues of the Postoffice Department to which I must advert. I purposed in writing to this phase of our general subject, to make official prattle about postal service "deficits" look and sound foolish.

I believe I have already done that, but in justice to the subject and to the postal ratepayers, at least three other raiders must have their cloaks slit.

CHAPTER XI.

LATEST OFFICIAL STYLES IN POSTAL CONVERSATION.

The President's message of February 22, 1912, reached me a few hours after the closing chapters of this volume had gone to the printers. With it arrived a copy of the Postmaster General's report for the year ending June 30, 1911; also notice from a Congressman friend that he will have the Hughes Commission's report on the way shortly. The Man on the Ladder, like Lucy, when selecting her spring bonnet, desires the "very latest creation." It may not be essentially necessary in a discussion of Federal postal affairs, but even a hurried reading of the President's message and the report of Postmaster General Hitchcock will furnish abundant evidence that *expressed* official opinion is somewhat ephemeral and transitory, like the styles in ladies' headwear. I have never had the pleasure of retaining a lady's unanimous friendship for any appreciable length of time after giving her my honest opinion of the style of her most recently acquired bonnet, and readers who have followed me thus far in my consideration of government postal affairs will have discovered that my respect for "style" in official oratory and literature needs coaching.

All that aside, however, the point is that I have persuaded my printers to "break galley" just here and permit the insertion of a chapter, having as subject the "very latest" in official postal affairs.

THE PRESIDENT'S MESSAGE.

In his Washington Day effort our smiling President is profusely loyal to the characteristics of his style in composition—plumage and displacement. Mr. Taft, however, should set up no claims of originality of design in Executive messages. Several of his predecessors presented the people of these United States with numerous displays of verbal plumage and trimmings. So our President had many working-models as guides in building the message upon which we shall proceed to comment.

This message, both in architectural specification and in contour or *ensemble*, is largely but a re-trim of the "block" furnished by Mr.

Hitchcock in his report, under date of December 1, 1911. In considering the President's message and the report of the Postmaster General, we may, then, shorten our task somewhat by treating the two public documents as one. They, of course, differ in phrasing and wording, but the language of the message is only a sort of Executive "Me-too" approval of what Mr. Hitchcock says in his report, save on one point—the taking over of the telegraph companies by the government. That point we will discuss separately, presenting the argument of the president against the proposition and the *facts* presented by Postmaster General Hitchcock:

"It gives me pleasure to call attention to the fact that the revenues for the fiscal year ending June 30, 1911, amounted to $237,879,823.60 and that the expenditures amounted to $237,660,705.48, making a surplus of $219,118.12. For the year ending June 30, 1909, the postal service was in arrears to the extent of $17,479,770.47."

Well, yes, certainly. It gives us all pleasure to see a surplus grow where only deficits grew before—gives us great pleasure. Still, Mr. President, you will permit us humbly to say that it has been a distressful winter and that here, the very last of February, the ground is still frozen hard. You, of course, will recall that our Postmaster General, at intervals during the last fiscal year, as opportunity for "interviews" offered, gave us confident assurances that his department was harvesting a surplus, ranging in amount from one to three million dollars. These assurances beyond our expectations—our hopes—led us to an elevation which makes it a far fall to $219,118.12. Of course, it is our fault. We should not have permitted our hopes and expectations to become so altitudinous. But Mr. Hitchcock has a very persuasive delivery and the public press quoted him so numerously and so prolixly that we climbed on and on up—away above the one and some of us well on towards the three million level and—well, as before said, the ground being frozen, a drop to $220,000 jars us some considerable in alighting. Mr. Hitchcock probably framed up his mid-year interviews to fit observed conditions, the best he knew how. Most of us will soon be out of the hospital and in condition to take an inflation for another flight. Some of the less venturesome among us may be over-careful not to soar too high, but our tank capacity remains about the same. So the Postmaster General may meter nearly the same amount of rhetorical gas to us without fear.

The President might, however, if he thinks it would not occasion any unseemly discord in rendering the grand symphony entitled "Administrative Policy," give us folks some information on the following points—points raised by a reading of the Washington Day message and of the 1911 report of the Postmaster General, both of which are before me, as I write. Of course this is the President's busy season and he may not be able to devote as much time to our enlightenment as he would like to and otherwise would. In that event, he may turn the subject over to Mr. Hitchcock and request him to separate himself from a few interviews to clear these matters up for us.

In each annual report of the Postoffice Department I have at hand (1907 to 1911 inclusive), there appears an item which reads, "Expenditures on account of previous years." For the years indicated, the figures on this item of expenditures are as follows:

1907	$ 303,045.55
1908	823,664.64
1909	586,404.69
1910	6,786,394.11
1911	7,132,112.23

As figures are always more or less of a serious nature, we will here drop the personal element in discussing these points on which information is desired, and much *needed*, if public press notices can be at all depended upon as informative. Of course "figures do not lie." Still, it is generally known that, however truthful they may be in correct calculations, they sometimes appear very peculiar, if not queer, in tabulations. Some persons have even gone so far as to assert that "official figures" have frequently been so arranged and manipulated as to "conceal the facts." Now, the figures for that item, "Expenditures on account of previous years" may conceal no facts which the public has any right to know. Still, there is something about them which irritates one's bump of curiosity; that is, if one's bump is not abnormally dwarfed or stunted. At any rate, it appears from press comment that those figures have sand-papered or otherwise frictioned several bumps of curiosity into a state of irritation. It is the hope of securing some official light that will act as a linitive or demulcent to my own and other bumps that persuaded those figures into evidence here.

What do those figures mean? Are they of any real informative value or merely convenient things to have around when building the

sub and superstructures of a department annual reports, like the figures of the postal deficits? A glance at the sums named in the table shows a variableness that amounts almost to a waywardness in totaling bills or accounts payable. The federal fiscal year ends June 30th. The annual reports of the Postoffice Department bear date December 1st—full four months after the close of the fiscal year. Surely four months is sufficient time to gather into account the bills payable or carried-over obligations of a previous year, is it not? Of course the business of the department is a large business—over $237,000,000 last year and about $260,000,000 is asked for this year in the appropriation bill recently passed by the House. But that is no reason whatever for failure to account for amounts ranging from $300,000 to $6,200,000 of unpaid bills of the business year in which the obligations were created; especially not, when publication of the accounting is made four months after the close of the year.

This item of "expenditures on account of previous years" becomes no more understandable, if indeed it does not become more suggestive of purposeful manipulation, when one looks over the itemized or segregated expenditures of the year. The items of expenditure are all of the conventional character used in business accounting—operation and maintenance—such as service salaries, transportation of the mails, rents, light, fuel, supplies, repairs, etc. And these are all set down as expenditures of and for the fiscal year's business covered by the report, there being not even a suggestion that any part or portion of the total is an expenditure of the previous year—of any previous year.

So much for the detail of expenditures as published in the reports. From the summaries of receipts and expenditures one gathers no additional light. In the reports of the Third Assistant Postmaster General (division of accounts), one finds only the bald item, "Expenditures on accunt of previous years," down to the report of Third Assistant, James J. Britt, for the year ended June 30, 1910. For that year Mr. Britt segregates the item as follows:

Services for the fiscal year, 1909	$6,721,058.52
Services for the fiscal year, 1908	53,814 12
Services for the fiscal year, 1907	108.97
Claims, fiscal year, 1907 and prior years	11,605 44
Claims, fiscal year, 1906 and prior years	25 00
Total for prior years	$6,786,394 11

Anyone taking the trouble to add the five amounts given above, will discover an error of $217.94 in the total. While that error is only a trifle, its appearance, however, in the addition of but five items is not highly commendatory of the ability of Mr. Britt's expert accountants. The making of such an error in totaling only five entries has a tendency to arouse doubt or suspicion as to the reliability or dependability, not only of the footings given for the longer tabulations published in the report, but also of the footings which must necessarily have been made to secure the totals which are entered as items in such tabulations. Be this as it may, very few persons, aside from clerks paid for doing the work (and, possibly, an official or two whose duty it is or should be to see that the work is done accurately), will go to the trouble to verify even the footings of the published tabulations. So the errors, if any have been made, are not likely to become subject matter for much adverse criticism.

My purpose in presenting the showing of the 1910 report on that item of "expenditure on account of previous years" is to make the statement that, so far as I have been able to look up the matter, it is a first weak attempt to make public in the annual report the accounts and claims carried over from a previous year or years and published as expenditures of the year to which they are carried. I desire the reader to note, also, that of the total of "expenditures on account of previous years" ($6,786,612.05 as above corrected), all but $65,553.53 is set down as expenditures for the year *immediately prior*—for 1909.

Now, the business of the Postoffice Department is a cash business —wholly so in the matter of receipts and nearly so, or should be, in the matter of expenditures. This being the case, that item entered in the published annual reports as "expenditures on account of previous years" must consist largely of payments made on account of the year *immediately preceding* the year covered by the report. As just shown by the published analysis of the item in the 1910 report, the expenditures on account of prior years other than the one just preceding are so small (only $65,553.53 in a total of $6,786,612.05), that they may be ignored in the attempt I am shortly to make, to show that the item we have been considering—"expenditures on account of previous years"—has such dominance in the department's method of accounting, as evidenced in its annual reports, as to materially affect the deficit or surplus showing.

First, however, I desire to call attention to another point or two relating to this item of expenditure.

A glance at the tabulation made of this item shows a huge jump in its amount for the year 1910 of $6,200,000, round figures. Next, it appears that the necessities of business, *or the emergency needs of those building the report*, forced this item still upward in the showing for 1911 as made December last—upward by $345,718.12, making its total $7,132,112.23. In the report before me, no analysis of that large carried-over payment on account of prior years is given. The Third Assistant Postmaster General may furnish information as to the year or years of its origin. His report has not reached me yet, so I cannot say. The bald statement is there, however, that 1911 *paid over seven million dollars* on account of 1910 and prior bills. It is also in evidence that *no information whatever* is published which enlightens the public as to the amount of *unpaid 1911 bills that are carried forward to 1912 account.*

Whether adverse criticism is justifiable or not, such cloaking of accounts in giving them publicity most certainly warrants it. It is just this cloaking that has subjected Mr. Hitchcock's little vest-pocket surplus for 1911 to much and merited criticism, doubt and question. Mr. Urban A. Waters, in testifying before the House Committee on Civil Service Reform *harpooned* the Postoffice Department with an accusation that it had permitted a million dollars to waste, evaporate, be misapplied or stolen, in connection with a deal for sanitary and safety appliances to railway mail cars.

If Mr. Waters' charges are grounded in fact, then is provoked and *invited* the question: Is it designed or intended to carry that million into the accounting of 1912—or into that of some future year —as an "Expenditure on account of previous years?"

Mr. Waters is publisher of the Denver Harpoon. He can say things and is generally recognized as a man who makes a practice of gathering the facts to back up what he says before he says it. In his testimony, so far as I know, Mr. Waters made no statement or suggestion that the evaporated million he spoke of would be, or could be, very securely *cacheted* or "fenced" in this "account of previous years." It is The Man on the Ladder who points out—who says—that such loose accounting as carries to account of a subsequent year the

expenditures made or incurred in a previous year can *very readily* be made to cloak a steal of one or more millions of dollars.

Then, there are those rural carriers who refused to do as Mr. DeGraw, Fourth Assistant Postmaster General, told them to do. You read the papers of course, and—you believe them, of course, though most of you say, "Of course, I don't believe 'em." Well, it was broadly published that the *Rural Free Delivery News* had the temerity to publish—not merely to insinuate, mind you—that Mr. Hitchcock's showing of a little $220,000 surplus for the year ended June 30, 1911, was made possible only *by the failure of the Postoffice Department to make a plain, valid charge of $7,201,149.64 expenditures for that same fiscal year of 1911!*

Those are *not* the exact words used in giving publicity to the asserted fact by the *Rural Free Delivery News*, but that is the meat in the nut the publication cracked. It appears that the published statement was closely contiguous to the facts. At any rate, its nestling juxtaposition to the truth was such that it appears to have neither looked nor listened well to the department. There is a presidential campaign on the speedway at this time, with all its usual concomitants of cackle, clack, cluck and other atmospheric disturbances. Such a published truth—if truth it is, and it certainly displays a marked resemblance in both form and feature to that article so extremely rare in campaign clutter—the appearance of such a truth on the speedway has a tendency to "blanket" some candidate or jockey him into the fence. With a view no doubt, to guarding against such possibility, that machine so much used in recent years to smooth down the rough places in administration roadways was turned onto the track. A hostile opposition, always somewhat harsh and careless in its language, calls it "the steam roller." So the steam roller, with Fourth Assistant Postmaster General DeGraw at the wheel and manipulating the levers, rolled out among the rural carriers.

But it appears that it did not roll over them. There are forty-odd thousand rural carriers and, of course, it would have to be some "steam roller" to mutilate or seriously dent the ranks of so numerous a body of men; especially of men who travel about with the fragrance of the clover blossom and the corn bloom in their nostrils. They just wouldn't be rolled and, it is reported they so informed Mr. DeGraw in very polite and easily understood language. They would

not demand of the publisher of their association organ that he retract and, to date, the *Rural Free Delivery News* has, so far as I have seen, has shown no sign of either intention or inclination to back away from or in any way modify its charge which, in effect, was that the showing of a surplus—of even a little "runabout" surplus of $220,000 for the fiscal year of 1911—is a "faked" showing—a showing made possible only by carrying $7,201,149.64 of 1911 expenditures over to 1912 account.

May the *Rural Free Delivery News* live long in the land and flourish.

In a letter just received from Mr. W. D. Brown, editor of the R. F. D. News, he says: "When the Postoffice Committee submitted its report on March 6, it contained the statement that instead of a surplus in the postal revenues there was, up to that time, a deficit of more than $600,000.00 and I am satisfied that the amount will be greatly increased before the end of the current fiscal year."

In the *News* of January 27, the issue to which Mr. DeGraw took exception, Editor Brown publishes a letter he wrote under date of January 11, 1912, to Mr. Charles A. Kram, Auditor of the Postoffice Department. He also publishes Mr. Kram's reply. In comment on the reply, Mr. Brown says: "Auditor Kram's reply throws very little light upon the subject, except to establish the fact that it is impossible to say at any time, whether the Postoffice Department is being conducted at a profit or a loss."

Next comes Congressman Moon, an admitted authority on postal affairs and Chairman of the House Committee of Postoffices and Post-Roads.

I see by a press notice that Mr. Moon, in speaking to the question before his committee recently, stated that there was a "deficit of $627,845 for the fiscal year of 1911" in the Postoffice Department, instead of a surplus of $219,118.12, as published in its report, and over which Mr. Hitchcock and President Taft display so much luxuriant jubilation.

We have probably presented sufficient testimony to evidence the fact that the figures presented by our Postoffice Department are numerously, if not unanimously, doubted among people who take upon themselves the trouble and the labor of looking into them. True, the three or four witnesses we have introduced do not agree

as to the amount or magnitude of the shortages or discrepancies they have found, nor have they said, just where in the loose, bungled accounting they found the discrepancies. However, my purpose here is to show only that publicity of such bungled accounting does not enlighten or inform the public and that the practice of *charging the expenditures of one year to account of the next* may easily be made to cloak and cover up much wasteful if, indeed, not dishonest expenditure. That being the case, the disagreement of our witnesses as to the amount of dollars and cents they severally have found to be mislaid, or not properly accounted for, can make little difference in the conclusion *forced* by their testimony on any fair, inquiring mind.

But, it may be argued by apologists for such misleading practice in accounting or by persons who would plead extenuating conditions for Mr. Hitchcock and others charged with administering federal postoffice affairs, that this loose, fraud-inviting practice is of long standing, that the present administration has not had time to correct and remedy the faulty practice and that the published showing of current years is correct, because it is made on the same basis as was the accounting for many previous years.

All very well said, but it does not answer. Hoary-headed age in loose, falsifying methods of accounting neither commands respect nor can stand as reason or excuse for continuing such methods. It most certainly has no warrant as argument in extenuation for the continuance of such methods by the present administration.

"Why?" Well, there are several reasons. Mr. Hitchcock, it appears, has been aware for some two years or more that the practice we are here discussing was a questionable one, even if he was not fully informed as to the dangers—the waste, the fraud, the crookedness—which that practice might easily be made to cloak. Yet he has not only continued the practice, but, it would appear has further indulged or encouraged its growth. Let us look at the published evidence on this point.

A *reduced* deficit in the showing of the Postoffice Department for the year 1910 was somewhat *evidently* desired. To that end, the practice we are criticising charges 1910 with $6,786,394.11 for expenditures "on account of previous years," all of which, save $65,553.53, as previously shown, were expenditures made on account of the year 1909.

Now, in a footnote to page 278 of the 1910 report, Third Assistant Postmaster General Britt presents a somewhat confusing, if not confused explanation of his showing of the "Revenues and expenditures" for the year. One statement in the explanation, however, is resonantly loud in its clearness.

"On the other hand," says Mr. Britt, "expenditures made in the first three months of the fiscal year, 1911 on account of the fiscal year 1910 and prior years are not included in the reported deficit for the year 1910. *The amounts are approximately equal.*"

I italicize that last statement. Let's see: 1910 was made to pay (in accounting only, of course), $6,786,394.11 of 1909 and prior expenditures and, in an exchange, as simple as swapping Barlows, $7,132,112.23 of 1910 expenditures are shunted onto the year 1911!

"The amounts are approximately equal," says Mr. Britt.

Well, the difference is only $345,718.12—a mere trifle, of course, in a shuffle of millions. But if that trifle had been added to the 1910 expenditures, where it rightly belonged, the 1910 deficit would have shown up a trifle *over* instead of a trifle *under* six million dollars, as given in the published report—a very important matter along in the closing days of 1910.

Then, too, when our President and his Postmaster General so warm up to a surplus of $220,000, it is possible, if not probable, that a trifle like $345,000 might have been a convenience as a deficit *reducer* in December, 1910.

On page 19 of Mr. Hitchcock's report, he presents the following as one of thirty "Improvements in Organization and Methods" accomplished by the Postoffice Department during the year ended June 30, 1911:

> A change in the financial system whereby the surplus receipts of postoffices throughout the country are *promptly* centralized at convenient points for the purpose *of meeting other postal expenditures incurred during the period in which the surplus receipts accrued*, thus paying the expenses of the service from current receipts and obviating the necessity of applying to the Treasury for a grant to meet an apparent deficiency in postal revenues *when, as has happened in many instances, no actual deficiency exists.*

Now, that is certainly an "improvement" worthy of all commendation. If, as stated, it provides for "Meeting other postal expenditures incurred during the period in which the surplus receipts accrued"

it certainly should prevent "an apparent deficiency . . . when . . no actual deficiency exists"

But why, then, is it reported that over $7,000,000 of expenditures for the year ended June 30, 1910, are charged to the fiscal year 1911? The report bears date December 1st, 1911—*four months after the fiscal year 1911 closed.* If the receipts of postoffices throughout the country are "promptly centralized" for the purpose of meeting current expenditures, it would require super, if indeed not supple, expertness in accounting to figure out a surplus of $220,000 for a year's business which assumes over seven millions in unpaid bills of a previous year without, apparently, knowing what amount of unpaid bills can be shunted onto the next year.

But, it may be argued, there is nothing inconsistent in Mr. Hitchcock's claim as just quoted, of an improvement in the department's system or methods of accounting which makes, or *should* make, unnecessary the carrying over to 1911 so large a sum for expenditures made in or an account of the year 1910. While the improved methods have been introduced, it may be argued that insufficient time has elapsed, even to December 1st, to admit of their application in making up the fiscal report for the year 1911. In short, that the improved methods were introduced so late in the fiscal year 1910 that the resulting betterments in the system of accounting could not be shown in the report for 1910-11.

Yes, that possibly might be of some weight in considering this claimed improvement in the accounting methods of the department. There is, however, one serious objection to its acceptance as evidence in this case—evidence in proof that there was not sufficient time to make the improved methods operative in the showing for the fiscal year 1911:

(5) The adoption of improved methods of accounting by which the surplus or deficiency in the postal revenues is approximately determined *within three weeks from the close of each quarter*, instead of three months thereafter, on the completion of the audit of postmasters' accounts.

(6) The adoption of an accounting plan that insures *the prompt deposit in the Treasury* of postal funds not immediately required for disbursement at post-offices, *thus making available for use by the department* several millions of dollars that, under the old practice, would be tied up in post-offices.

In his 1909-10 report, Mr. Hitchcock sets forth *fifty* "improvements" in methods of handling and conducting the business of the

Postoffice Department—improvements made *prior* to June 30, 1910, mind you. Well, the foregoing quotation presents numbers 5 and 6 of the enumerated 50 "improvements" that were set up as having already been instituted—instituted prior to June 30, 1910. Beyond saying that the department has certainly had ample *time* to install and make operative the improvements in methods of handling its business and of accounting, which its published reports claim to have been made, comment is unnecessary. If the improvements, as *twice* claimed in the two annual reports from which I have quoted have been made, then, it is pertinent to ask: Why was *over seven millions* of 1909-10 expenditures carried to 1910-11 account?

Such a showing excuses another question—excuses it because it *invites* the question:

What amount—how *many millions of dollars*—of 1910-11 unpaid bills and claims was carried over to become a charge against the fiscal year 1911-12?

Oh, yes, I am fully aware that this may be all readily explained by saying that the claimed improvements as set forth have nothing whatever to do with the practice of carrying forward unpaid bills of one fiscal year and making them a charge against the receipts of the next or some subsequent fiscal year.

Such an explanation is easily understood, *because it does not explain.* That is, it is an explanation which, to be *believably* understood, requires more explaining than do the faults and crooks in the method of accounting it attempts to explain.

That the "fumbling" of this carrying-over practice *needs* correction—needs *abolishment*—will be seen from a glance at the two following tabulations. That the practice also makes the departments' annual showing of the *results* of the business of the year—any year—almost valueless is also made evident—that is, valueless so far as real, dependable information is concerned as to whether the postal service is conducted at a loss or at a profit.

The first tabulation following shows the published figures for the fiscal year's expenses as given in the departmental reports. It also shows what the expenses of the fiscal years indicated really were, when their unpaid bills (as shown by the next annual report of the department) are charged against them.

The whole charge, "On Account of Previous Years" in each report

is treated as a charge against the *immediately preceding year.* It has been shown that payments on "account of previous years," as given in the published reports, include for years other than the first or immediately preceding, amounts so small that they may be, for purposes of comparison, ignored.*

At any rate, the figures in the following tabulations of expenditures and deficits—accepting the department's published statements of receipts as correct—are far more enlightening to the general public as to the results of each year's business, for the five years here covered, than are the statements made in the annual reports of the department for the years named.

The second table shows the "deficits," or balances for each of the five years as compared with the deficits shown in the annual reports of the department, the corrected figures being subject, of course, to any trifling reduction which may have resulted from the payment of bills carried into the account from some other than the immediately preceding year:

ANNUAL EXPENDITURES OF THE POSTOFFICE DEPARTMENT.

	Expenditures as published.	Expenditures as corrected.
1907	$190,238,288.34	$190,758,907.43
1908	208,351,886.15	208,114,626.20
1909	221,004,102.89	227,204,092.31
1910	229,977,224.50	230,322,942.62
1911	237,648,926.68	230,516,814.45

From the foregoing it will be seen that the corrected figures show a range of variance from the published figures, of over $6,400,000 That is, the corrected figures are some $230,000 below for the year 1908 and more than $6,200,000 above for the year 1910, the showing in the departments published reports.

A similar correction for the year 1911 cannot be made until the department chooses to enlighten the public as to the amount of 1910-11 unpaid bills it *has carried forward to become a charge against the receipts of the year 1911-12.*

As the account for the year stands above, the surplus for the year

*I find from reports of the department auditor that the fiscal year of 1909 was made to meet a charge of $128,307.32 which rightly stood against the year 1907; also that the fiscal year 1911 is charged with an expenditure of $148,490.01 belonging to 1909 and another expenditure of $85,195.34, belonging to "1908 and prior years."

1910-11 is $7,363,009.15—not the comparatively trifling amount of $219,118.12, as published. Of course, if the report shows that 1912 pays $7,363,009.15 of 1911 expenditures, then the paltry surplus for the last-named year may stand as given in the report. But if the 1912 report should show that so much as *one dollar* more of 1911's unpaid bills were shunted onto 1912 than 1911 paid on account of 1910's shunted bills ($7,132,112.23), then Mr. Hitchcock's joy-producing "surplus" will vanish as an *actuality* in correct accounting.

Following is the showing of the deficits or balances as published, as compared with the *actual* deficits or balances, as corrected according to previous explanation:

	Deficits as published.	Deficits as corrected.
1907	$ 6,653,282.77	$ 7,173,901.84
1908	16,873,222.74	16,635,962.79
1909	17,441,719.82	23,641,709.24
1910	5,848,566.88	6,194,285.00
1911	219,118.12 (Surplus)	7,363,009.15

There, again, is shown a range of more than $6,400,000 between the published and the *very near* actual deficits of the several years, not including 1911, for the showing on which, for reasons stated, I and the rest of the "dear people," who are just now being "worked" for votes, will have to wait until the 1912 report is published.

Why, nothing but a government treasury—the treasury of our easily "bubbled" people—could survive that sort of bookkeeping for the time covered in the above tabulated statement of published and *actual* yearly shortages and of *one* alleged surplus.

AN EXECUTIVE OVERSIGHT—POSSIBLY.

We will now detach ourselves from these wearisome figures and more wearisome figuring, using figures only as a sort of garnishment to chief courses served to us by the President and our Postmaster General.

The receipts of the Postoffice Department, as published in its annual reports, were $34,317,440.53 greater for the fiscal year 1910-11 than for the year 1908-9.

Both the President and Mr. Hitchcock are eloquently ebullient because of the appearance of a tender shoot or bud of a surplus in a place where nothing but deficits grew before. But neither of them

appears to have boiled over in either message or report to show the people what splendid things have been accomplished in two years with that thirty-four millions of increased revenues. I wonder why? Possibly the failure of ebullition at the point indicated is the result of oversight. Of course, it may have resulted from lack of thermic encouragement or inducement. Or, it may be, that some "induced draft" drew the major part of the thirty-four millions up the smoke-stack without leaving a B. T. U. equivalent under the kettle.

"The Postmaster General recommends, *as I have done in previous messages*, the adoption of a parcels post, and the beginning of this in the organization of such service on rural routes and *in the city delivery service first*," says President Taft.

If the President really has recommended in "previous messages" the "beginning" of a parcels post "experiment" in "the City Delivery Service" such recommendation entirely escaped my notice. A "test" of a parcels post service on rural routes—yes. That was much talked of a year or more since. But of an "experimental test" of an improved parcels post in urban carrier service, little or nothing was said or, if said, it did not make sufficient noise for The Man on the Ladder to hear. However, I presume it is as permissible for the conceptions and concepts of a President to broaden, enlarge and improve as it is for those of a Postmaster General to broaden, enlarge and improve. For that matter, a proportional, if not entirely corresponding thought-expansion may be occasionally noticed in the Department of the Interior as conducted and operated by common, ordinary mortals.

As the parcels post is the subject of a later chapter which is already in type, further consideration here is unnecessary. It may be said, however, that extending the proposed test—any "test"—of a parcels post service to city free delivery routes, instead of confining it to a few "selected" rural routes as Mr. Hitchcock proposed it should be confined in his 1910 report, is a step in the right direction—a step in advance. Still, such a step is but dilatory; is but procrastinating. A cheap, efficient, *general* parcels post service must come and, now that the people are aroused—aroused as to the *criminal* wrongs inflicted upon them by a Postoffice Department and a Congress that have acted for thirty or more years as if indifferent to or not cognizant of those wrongs—it must *come quickly*, unless, of course, it should

develop that the people are, really and truly, as big fools as railroad, express companies and certain public officials have treated them as being.

"The commission reports that the evidence submitted for its consideration is sufficient to warrant a finding of the *approximate* cost of handling and transporting the several classes of second-class mail known as paid-at-the-pound-rate, free-in-county, and transient matter, in so far as relates to the services of transportation, postoffice cars, railway distribution, rural delivery, and certain other items of cost, *but that it is without adequate data to determine the cost of the general postoffice service and also what portion of the cost of certain other aggregate services is properly assignable to second-class mail matter.* * * * * It finds that in the fiscal year 1908 * * * * the cost of handling and transporting second-class mail matter * * * * was about 6 cents a pound for paid-at-the-pound-rate matter, and for free-in-county, and transient matter, each approximately 5 cents a pound, and that upon this basis, as modified by *subsequent deductions in the cost of railroad transportation*, the cost of paid-at-the-pound rate matter, for the services mentioned" (I have not mentioned all the "services" enumerated by the President, all being covered in the words "handling and transportation"), "is approximately 5½ cents a pound." * * *

That is from the President's Washington Day message. Can you beat it? Well, it will take a smooth road and some going to do it.

First, it is cheerfully admitted that the Commission (the Hughes Commission) had no "adequate data to determine the cost of the general postoffice service and also what portion of the cost of *certain other aggregate services* is properly assignable to second-class mail matter," and then our President proceeds—with equal cheerfulness and smiling confidence (*or is it indifference?*) to assure us that the Commission proceeded to figure 6 cents a pound as the cost of handling and carriage of *paid* pound-rate second-class matter and 5 cents a pound as the cost of corresponding service for *free-in county* and so-called "transient" matter!

Again I ask, can you beat it? If you can, please send me your picture—full size and two views, front and profile. I would derive much pleasure from a look at your front and side elevations. Of course, the President has an official right to a "style" of his own.

A "style" of expression, however, cannot be protected by copyright, otherwise, as stated at the opening of this interpolated chapter, President Taft would be guilty of infringement. Other presidents have run into verbose verbosity in expressing themselves. It is an official *convenience* at times to do so, however ludicrously *open of intent* or "phunny" it may appear to laymen.

The President, in the paragraph of his message above quoted, recalls two of his "arguments" before the Swedish American Republican League, of Chicago, which arguments I had the honor to hear. In one instance he was flourishing about our ideal of popular government and said: "What we are all struggling for, what we all recognize as the highest ideal in society, is *equality of opportunity* * * * Of course perfect equality of opportunity is *impossible*," then *why* it is impossible followed for a paragraph.

It was so nicely and redundantly redundant, so resilient in phrasing, so honestly *earnest*, that one just *had* to go along with our President, whether or not one could see how "the highest ideal in society" could possibly be found in a chase after the "impossible."

At another point in his kindly persuasive Come-unto-me discourse, he pointed out to us how liable a "majority of the people" is to "make mistakes by hasty action and lack of deliberation." Then, after a paragraph of beautiful foliage, the President cited the anti-trust law of 1890 as an evidence of the advantages and beneficent results of ample "deliberation" before taking action in matters of "grave import". He explained that the decision of the Supreme Court was at first "misunderstood, or if not misunderstood, was improperly expressed, so as to *discourage* those who were interested in the federal power to restrain and break up these industrial monopolies. *After twenty years' litigation* the meaning of the act has been made clear by a decision of the Supreme Court, prosecutions have been brought and many of the most *dangerous* trusts have been *subjected to dissolution*."

It was all so fine, so lulling if not luring! It made one feel as if he were lost or had gone to sleep looking for himself. But when in a comfortable seat, in the owl car, where the jostle of the wicked world was so toned down and gentled as to permit a little analytic thought, that beautiful illustration of the value of making haste slowly and of long, careful "deliberation" when acting on matters of vast import recurred to us—that Anti-trust Act.

"After twenty years" careful deliberation, the Supreme Court was able to decide what the act meant! Was able, also, to decide what its *own prior decisions meant* and prosecutions were then brought and "many of the most dangerous trusts have been subjected to dissolution!"

All of it listened very well, but it don't stand the wash very well. It is matter of common knowledge that during the twenty years the Supreme Court was industriously trying to find out what the Anti-Trust Act and its own decisions meant, the trust organizers and promoters got away with *more than eight billions of unearned values*—some set the figure above fifteen billions. The Supreme Court made haste slowly in its "deliberation," while the respectable get-rich-quick Wallingfords were going after the people's money and going in high-powered cars with the speed levers pulled clear down. No making haste slowly or duly *prolonged* deliberation with Wallingfords'.

Then, if one will take the trouble to glance at market quotations of the stocks of *any* of "those dangerous trusts" which "have been subjected to dissolution," he will find that they have passed through the trying ordeal of "dissolution" without the turn of a feather. All are smiling. Why should they not? Stock quotations show that Standard Oil is over $250,000,000 better off than before its *deliberated* judicial dissolution. The Tobacco Wallingfords are also many millions ahead of the game since "dissolution" set in. And "Sugar"—well since the Sugar Trust was "busted" and subjected to the "dissolution" process nearly all its controlled saccharine matter appears to be trickling into its bank account. Similar "most dangerous trusts" show similar evidences of "dissolution" since the Supreme Court processed them.

What has this to do with our immediate subject? Nothing whatever. It is a mere interpolation—with a purpose. Its purpose is to evidence what appears to be a practiced habit with our President—a florescence or foliation similar to that displayed in the quotation I have made from his Washington Day Message. In the quoted paragraph, the reader will observe that he first says the Hughes Commission was "without data to determine the cost" of certain very important factors in the aggregate expense of handling and transporting the mails, and then he immediately proceeds to inform us that the Commission finds that the "cost of handling and carriage of paid-at-

the-pound rate matter was about 6 cents a pound," etc.—a virtual impeachment of the Commission's finding before the finding is stated.

THE HUGHES COMMISSION.

What little space permits me to say of the report of the Hughes Commission may as well be said here.

In their report the commissioners very frankly admit the meagerness, or, on numerous important points, total lack of informative data. But, as the President states, they proceed to put on record a finding of 6 cents a pound as the cost of handling and transporting paid second-class matter and 5 cents a pound as the cost of similar service on free-in-county matter, for the year 1908. They finally recommend, however, that the present "transient" rate (for copies of periodicals mailed by other than publishers) be continued— 1 cent for each 4 ounces; also that the present free -in-county privilege be retained, *but not extended.*"

What does that "not extended" mean?

I do not know. Do you? Does it mean that the country newspapers now issued—*now* entered in Postoffice Department for free haulage and handling—shall continue free and that no new newspapers established, founded and distributed in counties, shall be transported and handled *free?*

If it does not mean that, what does it mean? If it means that, then why does this Commission recommend a thing that is primarily—*elementary*—wrong under the organic law of this government?

The Constitution of these United States *specifically* prohibits "special" legislation. Then why, I ask, should the recommendation of this Commission be complied with? I have been publishing *The Hustler*, a *controlled* Republican or Democrat 4 to 8 pager, as the case may be, for four years. Paul Jones comes along and flings in his money to publish and print the *Democratic Booster* in the same county. Does this Commission mean to recommend that *The Hustler* be carried and distributed free in the county and that *The Booster* be required to pay the regular pound rate for the same service?

A flat rate of 2 cents per pound is recommended for all other periodical matter, newspapers and magazines alike.

Well, that recommended rate is of course, better than Mr. Hitch-

cock's "rider" recommendation, discussed in a previous page. The Commission's "finding" that the cost of carriage, handling and delivery of second-class mail "was approximately 6 cents a pound" is also an appreciable step-down (toward the facts), as compared with Mr. Hitchcock's *assured* — milled, screened and sifted—finding that said cost was 9.23 cents a pound—a finding as late as March 1, 1911. So if this commendable "merger" of views, opinions and *guesses* keeps growing, as industrial, rail and other mergers are wont to grow, the postal *rate payers* of the country may hope yet to find that even their great men may agree.

I have discussed this second-class mail rate—the cent-a-pound rate for periodicals—elsewhere. With private companies (the express companies) carrying and delivering second-class mail matter for the average mail haul, at *one-half cent a pound* (and standing for a "split" with the railroads for one-half of that), the question as to whether or not the government *can* carry mail matter without loss at *one cent a pound*, is not worth debating among men whose brains are not worn in their sub-cellars.

I mean the last statement to apply to third and fourth class matter as well as to second. What it has cost the government, or what it now costs the government, to transport, handle and distribute the mails is another and quite different matter from what such service can be and *should* be rendered for. Was it not that the people's money is lavishly wasted by such foolishness and foolery, a dignified commission of three or six men sagely deliberating upon, critically "investigating" and laboredly discussing what it costs the government —what the government in 1908 or any other year paid—to carry and distribute the mails, might be staged as the working model of a joke. If a Commission's time and the people's money were spent in making a careful, thorough investigation as to what it *should* cost to collect, transport, handle and distribute the mails, and as to just where and how the millions of dollars, now annually wasted in an over-unmanned, incompetently managed, raided and raiding service, could be saved, results fully warranting the expenditures made on account of these postal-investigating commissions would readily be obtained.

A summary of the proceedings of the Hughes Commission is presented elsewhere. Here I shall take space for only two or three observations. First, as is evidenced by the Commission's report, the

Postoffice Department was before it in conspicuous volubility and the frequency of a stock ticker during a raid, with call money at 84. Postmaster General Hitchcock and his Second and Third Assistants appear to have been the chief "floor representatives" of the department during the flurry. Of 201 "Exhibits" listed by the Commission, about 100 of them—reports, documents, memoranda and letters—found origin if not paternity in the Postoffice Department, and a considerable portion of them was already on file in government archives. Of the sixteen papers submitted after close of "Hearings," fourteen or fifteen are letters and memoranda of the department, besides which seven memoranda are mentioned as having been received from "the Postoffice Department and not marked as exhibits."

That should make up a pretty fair collection of departmental argument, views, opinions and "estimates," should it not? It is very doubtful, though—debatable, if not doubtful—if the collection is worth $50,000. Especially does such a valuation appear questionably excessive, when it is observed that much of the collection is made up of public documents, the findings of former postal commissions and committees, and of reports and showings made up by the Postoffice Department at departmental expenditure of time and money, and not at an expense chargeable to the Commission's appropriation. Of course the Hughes Commission may not have followed the precedent set by most prior postal Commissions, and by commissions in general. The Hughes Commissioners may not have spent all of their $50,000 appropriation. Let us hope they did not. However, a statement of expenditures actually made would be, by some of us at least, an appreciated "exhibit."

Another feature of the Commission's 108-page report that deserves special attention is the close adherence of its findings to *the findings of present postal officials*. Even in cases where the opinions of past officials are quoted commendingly, the opinions usually support and bolster the opinions of Mr. Hitchcock and his assistants. The report presents a number of tabulations, among which are several that are most excellent and informative. However, the tabulations, and the more important conclusions of the text as well, are based upon "estimates," rather than upon ascertained facts. Then, too, these estimates, as is somewhat annoyingly evident, are all, or nearly all,

the departmental estimates of the present Administration. Of course, that should in no way impair their value or dependability and it probably would not, but for two facts: The present Postmaster General has, for two years or more, displayed great activity—at times, a fevered if not frenzied activity—to secure the enactment of laws and issuance of executive orders to accomplish results which, while they may appear most desirable to him, were considered by many *thousands* of our people as being very objectionable, indeed, inimical to the fundamental right of free speech in this country and a menace to a free press and to popular education. The "estimates" which the Hughes Commission has published as basis for its findings quite uniformely, if not entirely, support the contentions which the Postmaster General has been making—at times, making with little or no warrant of fact to support.

Again, it will be observed by careful readers of the Commission's report that the "estimates" upon which several of its more important findings are based, are conspicuously lacking in elements essentially necessary in the structure of reliable estimates from which fact or facts may be deduced. To warrant the drawing of conclusions of fact from it, the structural material of an estimate must consist largely, if not wholly, of fact, not of conclusions drawn from other conclusions which, in turn were deduced from estimates based on other estimates that may or may not have been accurate and dependable.

As just stated, the estimates which the Commission appears largely to have accepted, are nearly all productions of the Postoffice Department. Few of them are built directly upon ascertained facts. Most of them are estimates of estimates based on other estimates. It appears that the Postmaster General's estimates are Assistant Postmaster Generals' estimates of the estimates made by weighing clerks of the several classes of mail-weights carried by certain railroads during six months in the year 1908. The nearest approach such a method or procedure makes to a fact is an estimate of the fact, you see.

A POSTAL TELEGRAPH.

One more quotation from the President's message and this chapter may end. This quotation is anent the proposition of having

the telegraph service of the country operated by the government—in connection with the postal service. Mr. Hitchcock's recommendation in the matter of a postal telegraph "is the only one," says the President, "in which I cannot concur." I shall first quote President Taft and then quote Mr. Hitchcock as he expressed himself in his 1911 report:

> This presents a question of government ownership of public utilities which are now being conducted by private enterprise under franchiess from the government I believe that the true principle is that private enterprise should be permitted to carry on such public utilities under *due regulation as to rates by proper authority* rather than that the government should itself conduct them. This principle I favor because I do not think it in accordance with the best public policy thus greatly to increase the body of public servants. *Of course, if it could be shown that telegraph service could be furnished to the public at a less price than it is now furnished to the public by telegraph companies*, and with equal efficiency, the argument might be a strong one in favor of the adoption of the proposition. But I am not satisfied from any evidence that if these properties were taken over by the government they could be managed any more economically or any more efficiently or that this would enable the government to furnish service at any smaller rate than the public are now required to pay by private companies.
>
> More than this, it seems to me that the consideration of the question ought to be *postponed until after the postal savings banks have come into complete and smooth operation and after a parcels post has been established not only upon the rural routes and the city deliveries, but also throughout the department. It will take some time to perfect these additions to the activities of the Postoffice Department* and we may well await their complete and successful adoption before we take on a new burden in this very extended department.

As an exhibition of rhetorical aviation, that is both going and soaring some. How beautifully it "banks" on the curves! How smooth its motor runs! And its transmission! Words fail me.

Some paragraphing wit has said, "Foolishness is as plentiful as wisdom isn't." Our President appears to know that we fools can take in a lot of foolishness without our tanks sloshing over as we stumble along the old, well-worn way—the way that leadeth the earned dollar into somebody's unearned bank account. But I do not intend to comment. The italics I have taken the liberty to mix into the President's verbal flight is all the comment needed. Mr. Taft makes it quite clear that all we fools need to do is wait—make haste slowly, take time for due deliberation. Of course, some of us fools think we know, or presume to think we know, that the telegraph companies are charging us two or three prices for the service they render—frequent-

ly, do not render for twenty-four or more hours after it ceases to be a service. But think of the good other folks derive from the pocket change they extract from us! The Western Union is, or was, a "Gould property." It paid interest or dividends on eighty or more millions of *quasi* and *aqua pura* in stocks and bonds. But think of the fun sons George and Howard had! Think of the former maintaining the beautiful Lakewood place, leasing English hunting preserves, playing polo and "busting" into, through and around Knickerbocker society circles! How could Howard have built a replica of Kilkenny Castle on Long Island Sound, where he and "Wild West Katie," it is said, spent millions and had a realistic Kilkenny-Cat time of it? Or how could Frank, the fourth and last son of Jay Gould, have given to the world such a lurid, if not illuminating, picture of the "Married Rue" as was exhibited at his divorce hearings? And there is "Sister Anna"—Well, it is sufficient to say that Anna Gould could not have blown away ten millions in settling "Powder-Puff" Boni's debts and turning him loose in the straight and broad way which leadeth unto the life that is somewhat too "fast" for even unearned money.

Well, none of the before-mentioned "life lessons" could have been set for the world's enlightenment—likewise, disgust—had the people of this country not waited, not made haste slowly, in "due deliberation," while the Western Union and other "Gould properties," were used to separate them from many millions of dollars which no Gould or Gould property ever earned.

But this is digressing. The President advises us to wait, to delay action a little longer—until the "postal savings banks have come into complete and smooth operation," until "after a parcels post has been established * * * throughout the department." Just wait and keep on paying twenty-five cents for a ten-word wire to your mother or friend ten miles out, even though the veriest fool knows that a postal telegraph service would carry a twenty-five word message to any postoffice in the United States for ten cents. Just keep on waiting—*until the big telegraph interests have sheared a few millions more fleece.*

But, says President Taft, "If it could be shown that telegraph service could be furnished to the public at a less price," etc., etc.

Well, maybe there is a sort of visual aphasia which makes a

quarter look like ten cents to some men. If not, I am at a loss to understand how it yet remains for anyone to be "shown" that telegraph service could be furnished to "the public at a less price than it is now furnished by the telegraph companies." Postmaster General Hitchcock furnished sufficient information, it seems to me, to show the President, or anyone else for that matter, that telegraph service "could be furnished the public" at rates much below those the telegraph companies collect. Mr. Hitchcock speaks in part, as follows—page 14, 1911 report:

The telegraph lines in the United States should be made a part of the postal system and operated in conjunction with the mail service. Such a consolidation would unquestionably result in important economies and permit the adoption of lower telegraph rates. Postoffices are maintained in numerous places not reached by the telegraph systems and the proposed consolidation would therefore afford a favorable opportunity for the wide extension of telegraph facilities. In many small towns where the telegraph companies have offices, the telegraph and mail business could be readily handled by the same employees. The separate maintenance of the two services under present conditions results in a needless expense. In practically all the European countries, including Great Britain, Germany, France, Russia, Austria, and Italy, the telegraph is being operated under government control as a part of the postal system. As a matter of fact, the first telegraph in the United States was also operated for several years, from 1844 to 1847, by the government under authority from Congress, and there seems to be good ground why the government control should be resumed.

While much more could be said in support of Mr. Hitchcock's position, he has said sufficient in the above, I think, to "show" even a President.

As evidence that the "estimates," upon which the Hughes Commission so largely base their findings are not entirely dependable. I desire to make two brief quotations from other pages of Mr. Hitchcock's 1911 report. On page 17, as the first of thirty "Improvements in Organization and Methods," the Postmasters General sets forth as having been accomplished in the service during the fiscal year 1911, will be found this:

The successful completion of an inquiry into the cost to railway companies of carrying the mails and the submission of a report to Congress making recommendations for revising the manner of fixing rates of pay for railway mail transportation.

On pages 9 and 10 of the report, in discussing a readjustment of railway mail pay, Mr. Hitchcock uses the following language:

The statistics obtained during the course of the investigation, disclosed for

the first time *the cost of carrying the mails* in comparison with the revenues derived by the railways from this service. * * * * The new plan (paying railways on the basis of car space occupied by the mails), if authorized by Congress, will require the railway companies each year to report what it costs them to carry the mails and such other information as *will enable the department to determine the cost of mail transportation.*

From the above it would seem that Congress was to be asked to adopt at its present session a "new plan" which "will enable the department to determine the cost of mail transportation;" to determine an important service fact which, according to the preceding quotation and also to the first sentence of the one just made, was determined sometime *prior to June 30, 1911.*

Has the Postoffice Department already determined the facts as the report twice claims, or has it merely collected some data upon which to base an "estimate?" Which enables it to make a more or less reasonable *guess* at the cost of mail transportation ?

CHAPTER XII.

RAILWAY AND EXPRESS RAIDERS.

I intended to take up here the railway mail-pay and postal car rental steal and then the infringement by express companies on the postal service and its revenues. However, since I have quoted Section 181 of the federal statutes governing, I think it as well, or better, here to take notice of the express companies' raiding into the postal revenues—raidings into the field of service which the *law specifically reserved for the operation of the nation's Postoffice Department.*

Let me ask the reader to turn back a few pages and read again that Section 181 of the federal statutes. Let me ask him also to think a moment about the character of small parcels and packages the express companies carry. To help our memories a little, let us note a few items.

The express companies carry and deliver for the general public money remittance for any sum. For carrying sealed remittance of a hundred dollars or less—for the carriage and delivery of which the government has provided in its postal money order regulations—the express companies are *criminals* under that Section 181.

Had the express company "influence" not reached federal legislators, it is not only highly probable, but almost a certainty, that our postal service would today be both prepared and permitted to transmit and deliver sums of money to any amount and at rates *lower* than now charged by the express companies.

If a publisher has ten or a hundred thousand copies of a book to deliver to mail-order purchasers, some express company steps in and makes him an offer for delivery, a *trifle lower* than the 8-cent-a-pound rate charged by the Postoffice Department for the same service.

In such instance, the express company making such tender of delivery on any "post route" is a *criminal*, under the *specific* wording of that Section 181.

In previous pages of this volume the reader will find testimony of people and of firms that pay large carriage bills for second-class matter. Among this testimony are found statements (some of them under jurat), that the express companies carry periodicals in bulk of

five to ten pounds and upward from New York to Chicago, and to other points equally distant from office of publication, at a rate materially below the cent-a-pound rate charged by the government for postal carriage.

In one instance, it is known that one express company has offered to contract to carry periodicals from New York to Chicago over a certain connecting railroad at a rate of *one-half cent a pound.*

What does that mean?

It means simply this:—The railroad handling such express business hauls express cars *en train* with the United States mail, and the railroad handling such express consignments of periodical mail matter makes the New York-Chicago haul at somewhere around *one-fourth of a cent a pound.* That is, it is somewhere around one-fourth cent a pound unless the carrying road takes *more* than half the express company's contract charge.

"What more?"

The express company contracting such business and the railroad handling it are *criminals* under that Section 181 of the federal statutes.

In this connection I wish to say that under a strict—yes, under a just—construction of that Section 181, I am not sure but that the publishers party to such contracts are not also parties to the crime.

From the *letter* of that section, I confess an inability to see any other construction of it than that previously stated. The United States government, or at least its legislative department, in 1845, *intended* that all such matter—letters (sealed matter), "packets," or packages and parcels, should be turned over to the Postoffice Department for transportation, handling and delivery.

Why has not the intent of that law been carried out?

Why are the express companies permitted, and for years been permitted, so brazenly to perpetrate criminal violations of that postal statute? Why and how does it chance that they (the express companies), can violate the law for years and go unscathed—go unchastized for plain, open, brazen violation of that Section 181 of the federal statutes? Yes, *why?*

There is but one answer; there *can* be but one answer.

Federal executives, federal legislators and federal judicial officials *have connived with private individuals and interests to nullify or make abortive that Section 181.*

Have you ever read any of Allan A. Benson's writings? "No?" Then you have missed something you should never miss again, should opportunity perambulate around your way. Allan A. Benson says something when he writes—says it blunt, plain and *hard*—says it in language that guarantees its own truth—says it in an open, broad way in which no man, "even though a fool" or a joy-rider, can go astray. In both the February and the March, 1911, numbers of Pearson's Magazine, Mr. Benson writes on the parcels post as a subject. I shall probably quote from him extendedly when I reach that division of our general subject in this volume. Mr. Benson *knows* his subject. And what is didactically of more importance, *he makes the reader know he knows it.*

Well, even with a fear that I may here reprint from him some paragraphs for which I may have a greater need later, I cannot refrain from quoting him in answer to those several "whys" I have just written, anent the violations of that Section 181 of the postal statutes.

Following his quotation of that section of the federal statutes, Mr. Benson says:

The purpose of this law was to give the United States government a monopoly of the mail-carrying privilege. The law was first enacted in 1845, and, although the statutes have been revised from time to time, it stands to-day in precisely the form herein given.

On the face of the law the express companies are law-breakers. But it is not enough to look at the face of a law. Everybody except the government is prohibited from carrying letters and packets—but what are "packets?" A letter is a letter; but what is a packet?

Foolish question? Yes, it ought to be—but it isn't. The whole express business rests upon the answer to this question. When the law was enacted, *there was no doubt* about the meaning of the word packet, because there were no express companies to raise the question, and everybody knew that packet was a synonym, used more frequently then than now, for "parcel." Express companies did not come along to raise the question until forty years ago.

Even the express companies, when they began business, had no doubt about the meaning of the word "packet." This is proved by the fact that whenever they handled packets, they required shippers to affix postage stamps. But recognition of the government's mail monopoly had a strong tendency to curtail express business, and there came a time when the express companies decided to evade the law, leave off the stamps and openly compete with the government.

See how ridiculous the express companies have since made your government. In 1883, a mail carrier who had stolen tea from a packet, made the defense at his trial that since a packet of tea was neither a letter nor a parcel, the law which prohibited tampering with sealed letters or parcels could not be invoked against

him. United States Judge McCreary, who sat in the case, was not so minded. He told the jury to disregard the prisoner's defense. In other words, a package was not only a parcel, but presumably a packet. The judge split no hairs about definitions. The mail carrier had stolen tea. That was enough. He was sent to prison.

See how another judge, years later, construed "packet." Nathan B. Williams, of Fayetteville, Ark., brought suit in the United States Circuit Court to prevent express companies from carrying packets. When the last judge had had his guess about the conundrum, Mr. Williams was judicially informed that the government mail monopoly, so far as packets are concerned, extends only to "packets *of letters*." In other words, a packet is a packet of letters; that and nothing more. Here are the judge's words:

"While Congress has full constitutional powers to reserve to the postal department a monopoly of the business of receiving, transporting and delivering mails, and, in the exercise of such rights, may enact such laws, regulations and rules as will effectively preserve its monopoly, yet this monopoly is intended (see the Judge read the mind of the Congress of 1845), to extend only to letters, packets of letters, and the like mailable matter, and Congress has never attempted to extend this monopoly to the transportation of merchandise in parcels weighing less than four pounds, nor to prohibit express companies from making regular trips over established post routes, or from engaging in the business of carrying such parcels for hire."

That is what the court says—and what the court says goes. Here is what the present Attorney General of the United States says—and what the Attorney General says does not go. The Receivers' and Shippers' Association of Cincinnati asked the Attorney General to join in Mr Williams' suit, which the Attorney General declined to do for this reason:

"The department has made a very complete study of the proposition and agrees with Mr. Williams upon the law, except as to the one point, namely, that there has been an *administrative construction against the proposition for over forty years*, and the chances are that a suit will be defeated on that ground."

In other words while the Attorney General believes the express companies have been and are violating the law, the postoffice department, for forty years, *has let them do it*, and it seems useless to try to enforce the law.

Here, then, is the absurd situation with regard to packets into which the express companies have forced the United States government:

If a packet contains tea, and a mail carrier steals some of it, it is a packet without doubt, and the mail carrier is sent to prison.

If an express company carries a packet of tea, the packet is not a packet, because a packet is only a packet of letters.

But a mail carrier will find out rather quickly, whether a packet of tea weighing less than four pounds, is a packet or not, if he carry the packet for his own profit instead of turning over to the government the amount of the postage Let the fact become known to the government, and he will be arrested as quickly as an officer can reach him.

Now: Is or is not this juggling with the law? If it is not juggling with the law, what, in your opinion, would be juggling with the law? If the foregoing decisions sound like good law to you, perhaps you ought to be upon the federal bench. You might shine as a judge. You don't shine as a voter. You think, but you don't act. You don't put your thought behind your ballot. You let somebody else put his thought behind your ballot.

That is pretty plain talk—talk which should do us readers some good. It should, at least, enlighten us as to these facts.

First: The express companies have been *criminally* trenching upon and into the service of the Postoffice Department for forty years or more—have been *raiding* what were originally intended to be the legitimate and legally protected revenues of that department.

Second: Such raidings have been winked at by our federal legislators and condoned, and the raiders exonerated by juridic opinions which were so bald, bare, brazen and *cheap* that they would make a practiced confidence or get-rich-quick man blush.

I intended to write further here about this raid of the express companies on postal reveneus, but have concluded to defer much of what I intended to say in handling this phase of our general subject to the closing division of this volume—the parcels post. One reason for doing so is that today it is *not* the express companies which command and direct the raidings that *express business* is making, and for some years has made, into what rightly and *legally* should be the field of postal revenue gathering. Twenty years ago, a trifle more or less, when John Wanamaker was Postmaster General, he stated to a committee or delegation calling on him, that there were four insuperable objections to the establishment of a parcels post at that time. He named the four objections. They were, if I remember rightly, "The Adams Express Company, the American Express Company, the Wells-Fargo Express Company and the United States Express Company." It may be he named the Southern or some other express company instead of the United States Express Company. I cannot remember. At any rate he named *four* express companies as the "insuperable objections" to the establishment of a parcels post.

Well, he was right for the period in which he spoke. But twenty years is a long time in a swift, governmentally aided get-rich-quick age or country like ours. There are some dozen or more express companies now—a dozen or more *on paper—quasi*-express companies.

The railroad companies and railroad officials *control the express companies and the express business of this country today.*

A departmental report of the government showed, as stated in the Saturday Evening Post of May 27, 1911, "that the four principal express companies have thirty-seven directors, of whom *thirty-two* are residents of New York, *two* are residents of Chicago and *three* of San Francisco. *These express directors are also directors in twenty-five of the leading railroad systems of the United States.*"

So, today, if Mr. Wanamaker were inclined to do so, he would probably revise his statement of twenty or more years ago. He would probably say that the *railroads of this country* stood as the insuperable objection or obstruction to the establishment and operation of an efficient, cheap and serviceable parcels post—the failure or neglect to do which is running one of the greatest raids into postal revenues this or any other nation has ever known.

Mr. Albert W. Atwood in writing to this point under the general caption "The Great Express Companies," in the American Magazine, February, 1911, issue, says:

Perhaps you have thought of all this before, but do you also know that the six largest express companies are among our greatest bankers? With them, in one year, the public has deposited $352,590,814 and their transactions in money orders, travelers' checks, letters of credit and bills of exchange rival those of the most powerful banks. This business, unlike any other form of banking is under no governmental jurisdiction and goes untaxed. It is made possible only by using the machinery of the regular banks, although to these the express companies pay no revenue. In the money-order line, express companies compete with the postoffice and do about one-third as much business as the government. The American Express alone has handled nearly 17,000,000 money orders in one year. That the public has confidence in the safety of the express companies as banks admits of no doubt, and it has been credibly reported that in the panic of 1907 money was withdrawn from banks, which the people did not trust, and invested in express money orders.

Transportation in a multitude of forms and branch banking do not comprise the sum total of express activities. The surplus funds of these huge institutions have grown large enough to require constant investment, and the express companies form a close second to the savings banks and insurance companies as the most dependable, regular and important class of investors in railroad securities. Diversified as the functions of the express companies have become, success has more than kept pace with their extension into varied fields, and a keen, wideawake public interest in the express business is demanded, not alone by the public and necessary character of the business itself, but still more by the extraordinary return which the companies receive for service performed.

Six companies control more than 90% of the country's express business, and of these the Adams is one of the oldest and most powerful. Organized more than fifty-six years ago, its capital stock had grown to $10,000,000 by 1866, in which year the members of the association, as the shareholders are called, received a stock dividend of $2,000,000. The $10,000,000 of stock itself did not represent shares issued for cash. According to the company's own reports, no shares were ever issued for cash. The 100,000 shares were given to members of the association to represent each member's pro rata ownership in the assets which had accumulated from earnings. As late as 1890, according to the census figures, the company had an actual investment in property employed in its business of but $1,128,195. Yet it had been paying 8% dividends for many years, or 80% on the actual value of the property in use. In 1898 it distributed $12,000,000 of its own bonds to stockholders, these bonds to be secured by the deposit in trust of the surplus funds not used in the express business. At this time the company reduced its dividend rate to 4%, but as 4% was also paid on the bonds, the stockholders did not suffer any loss of income. By 1904 the dividend rate had mounted to 10%, the bond interest remaining at 4%. In 1907, $24,000,000 additional bonds were given to the stockholders, likewise secured by another fat surplus, and like the first issue, paying 4% in interest. Dividends on the stock have since been maintained at 12% and there has grown up another surplus of nearly $25,000,000 which must soon be disbursed. Meanwhile the property actually employed for express purposes has grown to but something more than $6,000,000.

Moreover, there is another large fund slowly but surely accumulating in connection with the 1907 bond distribution. This 1907 gift to the shareholders was in the form of a bond issue secured by the deposit of stocks and bonds of other corporations formerly owned by the company itself. The deed of trust provides that if the income from these stocks and bonds is more than enough to pay interest of 4% a year on the $24,000,000 of Adams Express bonds, the surplus shall accure and be distributed in 1947 among the holders of the Adams Express bonds. As a matter of fact there is a computed excess income derived in this way of $151,517.50 a year and by 1947 this will have mounted up to more than $6,000,000, not allowing for compound interest. Here is a 50% extra dividend being nourished along toward maturity. If there is any better example of being able to eat one's cake and have it too, I have yet to hear of it.

At the outbreak of the civil war the Adams Express Company turned its routes in the Southern States, in which it had enjoyed a complete monopoly, over to the Adams-*Southern* Express Company, *created by the Georgia courts for the purpose of assuming this business.* The property of the association was to be represented by 5,000 shares, of which 558 were then issued. The Adams Express Company has held to the present day a dominant interest in this association, which it created to facilitate business *during the war.* After hostilities ceased, it resumed some of its Southern routes by agreement with the Adams-*Southern* Express Company, whose name had meanwhile been changed to the *Southern*

Express Co. The two companies still work in common and use the same wagons and offices in many places.

But close as the Southern Express is to its parent company, it has a separate enough existence to justify a separate account of its *money-making capabilities.* Referring to the original 558 shares of stock, the secretary and treasurer of the Southern Express says: *"None of the original twenty-four stockholders are living and there is no existing record to show how much was realized from the distribution."* This does not help us much, but in another report to the Interstate Commerce Commission the company appears to know what these records showed, for it says *"none of its stock was ever issued for real property,* equipment, acquisition of securities, or for any other purpose in the sense in which the issuance of stock is understood in connection with corporations." But we do find that in 1866 the number of shares was increased to 30,000 and distributed to the owners *as a stock dividend.* Plainly, the civil war did not impoverish the express carriers. Then in 1886 enough more new stock was created to give the owners five shares in place of every three which they already held, so that there are now 50,000 shares.

Five hundred and fifty-eight shares of stock, the circumstances of whose issue are known to no one living, have sprouted into 50,000 shares by the mere process of *paying stock dividends.* Dividends of 8%, or $400,000 a year, are now paid upon the 50,000 shares, although the entire value of the company's property, real estate, buildings, equipment, furniture, etc., was only $944,179 *on June 30, 1909.* Here are dividends of 8% on $5,000,000 stock, or more than 40% on the value of the property employed in the business. And this is not all. The Southern Express Company owns high-grade stocks and bonds valued at almost $4,000,000, which may some fine day form the basis of another melon.

If the Adams Express Company and its Southern associate were the only ones to shower their members with unheard-of profits we might be inclined to think they had been visited with peculiar and exceptional good fortune. Such is far from being the case. Let us proceed alphabetically and see how the members of the American Express Company have fared.

The Adams and American are easily the two most important of the express companies, and control, or have controlled at various times, all the other important companies with the exception of the Pacific. Since 1868 the capital of the American has stood at $18,000,000, this stock having been issued in exchange for the shares of the original American Express Company and the Merchants' Union Express Company, under articles of merger and association dated November 25, 1868. The company's books show that $5,300,000 *was the value* of the assets taken over at that time. There was $183,819 in cash; $1,261,023 in securities; $2,200,300 in real estate, less a mortgage of $505,143; and $1,260,000 in equipment; making a total of $4,400,000. New stock was sold which realized $900,000 in cash, making a total of $5,300,000 in assets for the $18,000,000 of stock. *No new stock has been issued since 1868 and no further cash has been paid into the treasury except from earnings.*

From its own balance sheet we find the company now has less than $10,000,000 in *real property and equipment,* all of which does not represent property

employed in the service, *because the item "real property" includes real estate investments.*

With an original investment in cash and property of but one-third the par value of its capital stock, the American Express Company now pays dividends on this stock of 12% a year and for many years paid 6, 8 and 10%. Moreover, it has accumulated from its earnings a fund of *more than $20,000,000* which is invested in readily negotiable stocks and bonds, the yearly income on which amounted to $1,178,000 in 1909. Among these securities are such high-grade railroad stocks as Chicago and Northwestern, Northern Pacific, New Haven, New York Central and Union Pacific.

Six years ago (1904-5), the substantial assets of the American Express Company had grown from $5,300,000, the amount fixed in the articles of association, to *six times that amount.* These assets, let me repeat, did not represent new capital put into the business, for *none whatever* was put in, but were accumulations of earnings over and above funds required to carry on the business and pay dividends of 8% upon $18,000,000 of stock. Even the association's own shareholders failed to see the need of such a treasure and in 1906 a committee representing them addressed the officers of the company thus: *"It is evident the management has faith in its ability to conserve the vast fund so accumulated beyond the needs of the business, without wasting the same or embarking it in new and dangerous ventures, and while we personally neither criticise them nor express any want of confidence in them, still it is our opinion, and that of many representative holders of long standing, experience and means, that this immense fund should not be further rapidly increased to become a source of temptation to the possible weakness or a snare to the possible inexperience of their successors."*

I would like to quote further from both Mr. Benson and Mr. Atwood. The former writes two articles which appeared in Pearson's Magazine in February and March, 1911, clearly showing not only why we have no parcels post, but, to some extent, the raid which the express companies have made and are making on postal service revenues that rightfully and *legally* should accrue to the government. The latter, Mr. Atwood, speaks in three splendid articles in the American Magazine (February, March and April), under the caption, "The Great Express Monopoly." Each of the gentlemen handles his subject masterfully. Each of them set forth facts which every American citizen should know and, knowing, should *go after* every public official who has ignorantly permitted or knowingly condoned, aided or cloaked the criminal raiding into the legitimate field of the postal service and revenues. Every one who can should get hold of and read the five articles referred to. I shall probably quote further from them in the closing division of this volume, but to appreciate them fully one should read them entire and connectedly.

Sufficient has here been said, however, to show any fairminded reader that our express companies, or the railways which use the express companies merely as pinch-bars to pry into our postal revenues on the one hand and as cloaks for excessive rates to the general public for handling light or parcels freight on the other, are illegally taking *millions of dollars annually* for a service which should be, and which was originally intended to be, rendered by the Postoffice Department.

I say that the express companies, or the railroads over which they operate and which, today, virtually own and control them, are doing an *illegal* business—a business carried on in flat contravention and defiance of the *plain letter* of the federal statutes.

I say further: The contravention of law which makes this vast lootage—*steal*—possible has no other basis for its past and present raiding of the field of postal revenues than *corrupted federal legislators* and, either corrupted or loose screwed, juridic opinions which are permitted to stand in place of the plainly worded statute of 1845.

And there is a colossal irony in the brazen effrontery with which this raiding of the postal revenues by the express companies has been, and is, carried on.

On the one hand, we have public officials cackling about its costing the government 4 to 9 cents a pound to transport and handle second-class mail matter—rather, making voluble and voluminous *guesses* that it costs from 4 to 9 cents a pound—while on the other hand, the express companies enter into contracts with publishers to carry and deliver at line stations that same second-class matter at *one-half cent a pound.*

When it is remembeerd that the express companies must "split" with the transporting railroad to the extent of 40 to 63 per cent of their gross haulage and delivery charge, the talk of its costing the government 4 to 9 cents to do what the express companies do for a half-cent—in some cases possibly, for less even than that—passes from the domain of irony and becomes disgusting twaddle.

The postal rate for carrying merchandise parcels not exceeding four pounds is 16 cents a pound. That rate is, as previously stated, outrageously high and the maximum weight of four pounds is almost as outrageously low. Both the postal weight and rate have been held for years at the figures named, it has been numerously asserted

and is *generally believed*, by the "influence" of express company and railroad lobbying in Congress. The result is that by far the larger portion of light or parcels shipments go by express instead of by mail, as it was clearly intended in the law of 1845 they should go.

To get this business, the express companies cut under the government charge of 16 cents a pound, as they can both easily and profitably do.

Nor do they hold the shipper to a maximum of four pounds for any single package or parcel. In fact, they set up practically no maximum parcels weight, and they deliver at any postoffice or station along their lines of service. In fact, again, the express companies now have, it is asserted, a sort of compensating agreement by which the company collecting the business can have another company make deliveries, each company taking its prorated share of the profit on the carriage and handling of the parcel or consignment.

Such arrangement, it will readily be seen, enables the express company to accept package consignments for delivery at almost any point in the country, if on a railroad, or for delivery at some rail point near the addressed destination of the parcel.

Then, too, as Mr. Benson points out, the railroads and railroad officials and owners are also controlling owners of the express companies. Being so, they do not hesitate virtually to "club" the public into shipping its parcels freight by express. They do this by fixing a minimum weight in their freight tariffs. That minimum is 100 pounds. That is, it will cost the shipper as *much to send a four or ten pound package to destination by fast freight as it would cost him to send 100 pounds.*

The foregoing is sufficient to show the reader that the express companies are *permitted* to raid the legitimate business of the Postoffice Department—or what should be and, under the law, was *intended* to be the business of the Postoffice Department.

The express companies, or their railroad control—which amounts to the same thing—also forage the field of third-class matter which, *by law*, was made a preserve of the Postoffice Department.

The postal rate for third-class mail matter is eight cents per pound. That rate is, of course, away too high. With The Man on the Ladder the conviction remains, as it has been a conviction for twenty or more years, that the postal rate of eight cents per pound

for third-class matter is three times what that rate should be—easily double the charge that should be made to cover the *legitimate* cost to the government for handling it, which cost is *all* that the department should seek or be *permitted to* collect.

Trusting that the reader will find excuse for me, I desire to repeat here what, in substance, I have written into an earlier page:

The postal service of the nation should not be made a revenue-producing service, any more than the War, Navy, Interior, Justice or other departments of the federal service should be made revenue-producers.

If the people pay—have paid and are willing to pay—the *actual* cost of an efficient, honestly administered and managed postal service, that is all they should be asked or expected to pay.

But returning to the express companies' raidings into the post-office revenues, let me here assert what every observant citizen of intelligence knows: The express companies are today carrying *millions of pounds* of books—leather, cloth and paper bound books—at a rate for carriage and delivery materially below the government's excessive rate of eight cents a pound.

These same express companies are today carrying *thousands of tons* of catalogues, pamphlets, business, political and other circulars, color prints of apparel fabrics, etc., etc., which the Postoffice Department ought to handle—and, under the law, *should* handle, and, but for that extortionate rate of eight cents a pound *would* handle.

It has been repeatedly asserted by persons who are familiar with carriage and handling costs, both in the postal and private service, that the postal rate of 8 cents a pound for third-class mail matter has been maintained—and *is* maintained—by reason of corrupt and corrupting influences (the coat-pocket "dropped roll," the "job" bribe, the "deposit slip," etc., etc.), which express and railway interests have liberally exerted upon federal legislators and upon executive and judicial officeholders—exerted upon "public servants."

However, that may be, the facts today are that the postal service rate of 8 cents a pound for third-class matter is so excessive—so conspicuously above the cost of the service rendered—that the express companies find no difficulty in under-cutting it—in many cases, *more* than cutting it in half—and still reap *millions of profit* from the handling of such matter.

If a publisher has an edition of five, ten or one hundred thousand of a book to be delivered in piece, or single copies, an express company representative will see him at once—often see him before the book is from the press. If the publisher is doing a large and general business in book publishing or the book trade, the express companies have already seen him, by representative, and a carriage and handling charge agreed upon, under which the contracting or agreeing express company will handle any or all the publisher's books, both single copies and trade shipments, at a rate much below the government's postage rate of eight cents a pound.

If a publisher brings out a book which weighs, when wrapped or jacketed for mailing, say one pound on which the mailing charge would be 8 cents, the express company tenders a rate of 7 cents. If the edition of the book is a large one the express company will tender a rate of 6 cents or even a rate as low as 5 cents or 4 cents.

In performing such service the express company is a violator of *law—a brazen outlaw.* Yet the government not only permits this outlawry, but, by maintaining that excessive rate of 8 cents a pound, the government virtually *invites* it.

What I have above said applies with equal or even greater force to the transportation and distribution of mercantile and other catalogues, and of descriptive pamphlets, etc. However, I think sufficient has been said to cover the point raised.

The government *persists* in charging a third-class rate which virtually drives *thousands of tons* of third-class matter to the express companies. The express companies handle this vast tonnage at a cost charge to the sender or shipper, ranging from 16 2-3 per cent to 50 per cent *below* the government's mail rate.

The express companies roll up millions—many millions—of profits every year, while at the higher rate, the government officials (some of them), slash up the ambient with rapier verbiage about "deficits" and make extension-ladder guesses at what it "actually costs" the Postoffice Department to carry and handle a pound of third, or some other, class of mail matter.

Another raid upon the postal revenues—and the raid is by the oldest gang of looters in the game—or graft—is the railroads.

For lo, these many years, the railroads have carried the mails at a carriage charge of $21.37 a ton per annum per line mile of haul.*

* 5,000 to 48,000 pounds, $20.30 per ton. Above 48,000 pounds, $19.24 per ton.

That is $21.37 is allowed on "dense" traffic lines where the daily mail weight is above 5,000 pounds. On lines where the daily weight is 5,000 lbs., the rate is $171.00 per annum per line mile of haul. For mail weights less than 5,000 pounds the rate of pay varies, the ton-mile rate increasing from 21.37 cents for a weight above 5,000 pounds, to $1.17 per ton-mile for an average weight of 200 pounds.

Following are tabulations showing the scale of mail pay and also the postoffice car rental pay. I get them from the Wolcott Commission report made in 1901. The tables and accompanying paragraphs form part of the testimony of Mr. Marshall M. Kirkman, who at the time of the Wolcott Commission hearings was Second Vice-President of the Chicago and Northwestern Railway. The rates of pay may have been modified in some slight degree since 1901. If so, I have not learned of the fact. I am of the opinion that the figures given by Mr. Kirkman still govern as rates of mail pay and car rentals, and as Mr. Kirkman was speaking for the railroads the reader may depend upon it that the case of the railroads—especially of the Chicago and Northwestern, then a system of about 5,000 miles of trackage—was presented in as favorable a light as the governing facts would permit:

RATES BASED ON THE WEIGHT OF THE MAILS. [a]

Average daily weight of mails over whole route.	Present pay per mile per annum.	Present rate per ton per mile.*b*	Present rate per hundred pounds per mile.*c*
			Cents
200 pounds	$42 75	$1 170	5.85
500 pounds	64.12	.700	3.50
1,000 pounds	85.50	.468	2.34
2,000 pounds	128 25	.351	1.75
4,000 pounds	156.46	.214	1.07
5,000 pounds	171.00	.187	.96
Each 2,000 pounds in excess of 5,000 pounds	21.37	058	29

a Land grant roads receive but 80 per cent of these rates.

b This is the rate received for carrying each ton handled 1 mile, and is obtained by dividing the yearly compensation by 365 and then dividing the daily compensation thus obtained by the number of tons carried 1 mile each day.

c This rate was obtained in the same manner as the ton-mile rate.

The most striking feature of this table is the rapid decline in the rates paid with an increase of weight.

In addition to the above payments based upon weight there is an additional allowance when full-sized postoffice cars are provided, the Postoffice Department deciding when these are necessary. The rates of pay for these cars are as follows:

RATES ALLOWABLE FOR FULL-SIZED POSTOFFICE CARS. (*a*)

Length of car.	Rate per mile of track per annum.	Rate per mile run by cars.
		Cents.
40 feet	$25.00	3.424
45 feet	27.50	3.786
50 feet	32.50	4.471
55 to 60 feet	40.00	5.498

a By full-sized cars is meant cars 40 feet or more in length and wholly devoted to mail.

The first column, which shows the rate paid per mile of track per annum, is likely to be misunderstood. The compensation seems very liberal, and it would be so in fact if it were as large as it appears to be. To gain $25 per mile per annum a 40-foot car must make a round trip over each mile of road per day. If it only makes one trip over the road each day, it will earn but $12.50 per mile per annum, as it would be but half of what is known as a line. The statute reads:

"That * * * pay may be allowed for every line comprising a daily trip each way of railway postoffice cars, at a rate not exceeding twenty-five dollars per mile per annum for cars forty feet in length. * * * "

Let us here take note what the foregoing tabulated figures mean—figures which Mr. Kirkman argued, if I read his testimony correctly, are too low*. I have read the testimnoy of numerous other railroad representatives, testimony before the Loud Commission, 1898, the Wolcott Commission, 1901, the Penrose-Overstreet Commission, 1907, and before the Hughes Commission, whose report is not yet compiled for publication. Each and all of them, so far as I have read their testimony, argue eloquently that the present rates of railway mail-pay and car rentals are, if unfair at all, unfair to the railroads—that the rates of pay are too low.

In this connection a most peculiar, if not indeed a peculiarly

*Car and mile-run rates corrected for 1908 and since.

suggestive, *harmony* of opinion appears to have existed between the special pleaders for the railroads in this matter of railway mail-pay and government officials—both executive and legislative—who have had most to do with fixing railway pay rates. The government has spent millions of dollars for investigations by commissions, by Senate and House committees, by inspectors, special agents, etc. Each commission has heard numerously from the railways. Twenty-seven of them were in hearing before the Wolcott Commission. The testimony of Mr. Kirkman, from whom I quote the preceding tabulations, while varying in phase, phrase and verbiage from the other railroad representatives, has two essential features common to them all, or, I should say, three features common to them all.

1. The railroad representatives unanimously oppose any reduction in the rates for railway mail pay (weights pay), and mail car rentals—"space charge," they call it.

2. They are a unit in declaring that the present rates are too low, but they as unitedly express a willingness to *continue business at the old rates* rather than to contemplate the possibility of a reduction in them, or even *squarely* to argue the justice and fairness of such a reduction.

3. When forced down to "tacks"—down to specific facts—by some interrogating member of the commission before which they are testifying, these railroad representatives again have a marked similarity as to "form." Each comes eloquently forward with his *own* set or sets of figures and proceeds to make his *own* application of them. But when some commissioner asks for information and enlightenment as to "net cost," "relative cost," etc., of mail carriage as compared with the cost of express, freight or passenger handling, the railroad representatives, almost to a man, at once begin to display a dense denseness that is marvelously wondrous or wonderously marvelous, as the reader may choose to word it.

The peculiar or suggestive harmony between the opinions of these railway representatives and the *controlling* executive and legislative officials of the Federal Government, is especially conspicuous under point 2 as numbered above. The railway people plead that the ruling rates are too low, but are willing to stand for them. However, they *do not want the rates lowered.*

The peculiar harmony of opinions just adverted to is ample

evidence, or so it appears to The Man on the Ladder, of this one fact:

The present rates of pay for railway mail *weight* carriage are the rates fixed by the act of 1879. Freight, express and passenger rates or tariffs have been changed—*have been lowered.* The railways did not want the mail rates lowered and the governmental powers that be, and have been, were apparently at least, quite willing to take their view of the matter, even if they did not concur in the numerous half-baked, threadbare arguments advanced by the railroad people in support.

The rates of railway mail pay have remained the same for thirty-three years—until 1908.

Comment is unnecessary.

As evidence in support of points 1 and 3 as above numbered, points on which railroad representatives so uniformly agree in support of, or, with equal uniformity, display concurring lapses of memory or lack of knowledge relating to, I shall here quote further from Mr. Kirkman's testimony before the Wolcott Commission. In electing to quote from Mr. Kirkman rather than from another to evidence points 1 and 3, I am influenced only by the fact that I have the report of the Wolcott Commission before me at the moment, and to the further fact that Mr. Kirkman's testimony appears to me cogently illustrative of the points to which I have called the reader's attention.

In closing his prepared or written testimony (page 208 of the report), Mr. Kirkman says:

> In conclusion, it may be stated that the compensation afforded this railroad for carrying the mail *is not now in excess of what it should be.* It is not improper, therefore, for us to beg, if rates can not be increased, *that no further reductions may be made*; also, that the practice of fixing the compensation paid for mail service on the basis of the weight carried at the commencement of the four-year periods (instead of on the weights carried in the middle of the periods), may be abandoned in favor of a more equitable system.

From the above it will be seen that this witness states with confidence that the compensation his road (the Chicago and Northwestern) receives "is not now in excess of what it should be" and *begs* that, "if the rates cannot be increased, that *no further reductions be made.*"

I shall now reprint a few pages from the report of Mr. Kirkman's oral testimony as illustrative of point 3:

By Mr. CATCHINGS:

Q. What did you state were the gross receipts from your whole system for carrying the mails?—A. About $800,000.

Q. Now, can you state to this commission what your net profit was for carrying that amount over your system?—A. *I do not know.*

Q. Can you make any estimate?—A. *No, sir.*

Q. You heard the testimony of Mr. Simpson (representing the Flint and Pere Marquette Railroad), did you not?—A. Yes, sir.

Q. He stated that his road carried the mails at a dead loss What that loss was *he was unable to give us.* I understand you to say that you do make a profit out of carrying the mails?—A. I beg your pardon I said that, because we got approximately the same rate per ton per mile for carrying the mails as for express (and that the express rate had been a matter of careful negotiation as between our company and the express company); I have reason to believe that we would not have taken the express business unless we derived a profit from it, and therefore I think it is reasonable to suppose that we must derive a profit from the postoffice business.

Q. Do you mean to tell me that you have no estimate as to the cost of carrying this mail matter?—A. *Not to my knowledge. We have taken what the Government gave us.* As I have shown you, they have never pretended to remunerate us for many services rendered.

Q. If you are unable to say what your profit was for carrying this mail, how can you complain that you are not being properly compensated for the service rendered?—A. Because we render so many services to-day that we did not formerly when the rate was fixed.

Q. I understand; but, so far as we know from your testimony, you may be amply compensated for it.—A We receive, as I said before, a certain rate from the express company for analogous service, and do not render them anything like the equivalent that we render the Postoffice Department, so that we must derive a great deal more profit from the express business than we do from the postoffice

Q. Still, it would not follow that you were not deriving proper compensation for carrying the mail, would it?—A It would not follow that we do not derive some compensation from it

Q. *Unless you are prepared to tell us what your profit is, or your loss, as the case may be, of course you can not expect us to know it, and, unless we know it, you can not expect us to sympathize with the complaint* —A *We are not making complaint about the compensation we receive, but the threat held over our heads that our compensation would be cut down* When they cut us down on the land-grant roads they did not make it a matter of negotiation at all; they just simply took off 20 per cent.

Q. Do you not think that the best way to prove this complaint would be to show that you are not receiving due compensation?—A If I was keeping a boarding house and you came to me and I agreed to give you two meals a day, and

you afterwards exacted four, because you are mightier than I in forcing it, would it be necessary for me to prove that I was giving you something that you were not entitled to under your contract?

Q. You ought to show us what your net profits are.—A. *It is impossible.*

By the CHAIRMAN:

Q. General Catchings calls your attention to this: In your direct examination I asked you if you had any suggestions to make to this commission in the matter of changes of law You said you thought the law should be so changed as to increase your compensation to an adequate sum Now, in answer to General Catchings, you say that it is remunerative; he asks you how much you make, and you can not tell; then he asks you why you recommend a change in the law if you will not tell the commission what you are now making by it, and if you can tell what your profits in carrying the mail are That is what General Catchings is anxious to have you tell.

By Mr. CATCHINGS:

Q. I would like very much to know if we are underpaying these roads; we would like to pay them.—A. You ask a question that there is nobody but Omniscience could answer, because there is no possible method by which you can determine accurately what the cost is of carrying traffic The Government did pretend at one time to divide the expense of operating as between passenger and freight, but finally abandoned it Now, if you can not determine the cost between passenger and freight, how can you determine it between mail and other kinds?

Q. There is one thing certain; if the roads can not determine it, the Government can not.—A. Is it not true that, in matters of this kind, no one would expect anything definite in the absence of definite information?

Q. I do not see why you can not figure as well the cost of carrying these mails as you can the cost of carrying the express packages I do not see why it ought to be more difficult for you to determine that.—A There is not any single thing that a railroad carries, from a first class passenger to a cord of stone, that it can tell accurately what the cost is *Tariffs are a matter of evolution.*

Q. At least, your road is better off than the Flint and Pere Marquette, for they carry at a loss and you carry at a profit —A I did not say we carry at a profit; but I say that is my judgment, sir

Q. I believe something has been said about the extraordinary cost at which these railroads handle these postal cars I would like to have you help me reach a conclusion from that How many railway postal cars have you on your system? —A. I do not know how many we do have

By the CHAIRMAN:

Q. Does your statement show?—A No, sir; it does not.

By Mr CATCHINGS:

Q How much do you receive from the government for the railway postal cars?—A. We receive certain compensation for cars over a given length.

Q. You stated, I believe, the gross revenue to you for these cars?—A We have a great many that we do not receive any revenue from the government for their use.

Q. I want to know what your revenue is from the postal cars?—A. I can not tell you.

Q. You can furnish that amount?—A Yes, sir.

Q. I wish you would furnish this commission a statement showing the gross revenue to your system of road derived from these postal cars; and then I wish you would furnish a statement showing what the cost to you is of maintaining those cars, keeping them in repair, what the estimated cost to you is of hauling them, and the number of cars?—A. I will give you all that you desire so far as I can.

By Mr. LOUD:

Q. You stated, Mr Kirkman, that you were Vice-President of the Chicago and Northwestern?—A. Yes, sir.

Q. Are you General Manager?—A No, sir

Q. What is your particular business in connection with the railroad?—A. I have charge of the local finances and accounts of the company

Q. You are not prepared to answer technically, then, questions that might be propounded to you, as has been developed in the examination by Mr. Catchings, about the cost of the operation of a car and the cost of the transportation of a ton of freight, passengers, etc ?—A. *I am as well prepared to answer the question as anyone. There is no one, as I said before, who knows what the cost is or can tell you definitely, simply for the reason that it is utterly impossible to fix the cost as between passengers and freight, for instance.*

Q. What is the use of our investigation, then?—A. I am here before this commission; my time here, perhaps, represents ten dollars or ten cents. *What am I going to charge it to?* In this case perhaps to mail. In many expenses of railroads there are questions impossible to determine as to what expenditures should be charged to. You may make, as the General has, a comparison between the Flint and Pere Marquette, what he thinks is an approximate statement of cost; it may be more, and it may not. For instance, the Government of the United States requires that the mail shall be carried on fast trains—

Q You are going into quite an argument. You ought to be able to tell what it cost to haul the mail.—A. *No, sir; I can not.*

Q. You can not tell?—A. No, sir; nobody can tell.

Q. Could not your General Manager give us some information on that subject?

Mr. CHANDLER. He can tell how much their gross receipts are and what the gross expenditures are, and he can tell whether their whole business is done at a profit or not; but I do not understand that the railroads can subdivide their receipts and expenditures so as to tell whether any particular branch of it actually pays a profit or not. The previous witness undertook to do it, and I noticed, as he went on, *that it was mere guesswork.* Mr. Kirkman says he never has done it.

The WITNESS. I want to say, Mr. Loud, that this question of division of cost has been up before railroads and experts for forty years, and here is what the chief engineer of the Pennsylvania says in regard to it. *He estimates that the*

cost, for instance, of maintenance of track and machinery increases with the square of the velocity

By the CHAIRMAN:

Q. How much do you charge this maintenance of way?—A. What is the wear and tear of machinery and track from the passage of a particular train? *No one can tell nor guess approximately* In an examination of this question I gave it, probably, the most exhaustive study that I have given any subject in my life, because so much depended on it—I searched all the records of Scotland and England and of the United States to determine, but unavailingly—

By Mr. LOUD:

Q. Could you not put a train of five cars on and run it from Chicago to Council Bluffs and give approximately what that train would cost to operate and the approximate cost of wear and tear to your rails?—A. I can determine all those things that are apparent; that is, the cost—

Q. That is all we expect: what is reasonable.—A. *But then there is the question of interest and the wear and tear of machinery and track.*

Q. Let us discard the interest. You ought to be able to get at the cost of operation.—A. That train so run has to receive the *constant attention of station men, of track men, the whole length.* If you will give it a moment's reflection you will see how *utterly impossible it is* to determine it accurately enough to state here to this commission.

Q. Approximately, it ought to be a perfectly easy matter. It seems to be to other railroad men.—A I do not think there is any railroad man who has given it any more attention than I have and no railroad man understanding the subject *will do more than guess at it.*

Q. I will ask you a few questions. If you can answer them I wish you would. How many miles of land-grant railroad have you?—A. My impression is that we have about 600.

Q. Out of your total of 5,000 miles?—A. Yes, sir.

Q. What is the average charge on your road for freight per ton mile?—A. Last year ninety-nine one-hundredths of a cent per ton mile.

Q. You do not know how much it costs? That is correct, is it not? You do not know how much it costs?—A. *That is correct.*

Q. You do not know how much it costs to operate a 40 or 60 foot mail car?—A. *No, sir; only approximately.*

Q. Can you say, approximately, how much?—A. *No, sir. It will afford me great pleasure to give you all this information that can be determined if you desire, but it is valueless in itself.*

Q. Can you say approximately?—A *I can not.* I would be very glad to furnish you all the figures, but such questions, *like the cost of the velocity* with which we send trains across the country, *are unknown.*

Q. Does it cost a dollar a mile as the outside?—A. I could not———

Q. Would it not?—A. *I would not want to pay you the disrespect of saying a thing that I know nothing about.*

The foregoing testimony appears on pages 213-216 of the Wolcott report. The italics are mine. When so well informed a railroad man as Mr. Kirkman answers questions—questions covering that which appears, to a layman at least, to be essential in successful railway management—as he is reported in the foregoing, what is to be thought of such testimony? With all due respect to Mr. Kirkman, it may be said that his apparently frank confession of ignorance as to several points made subject of inquiry by the commissioners in the part of his testimony quoted, many readers of it are left with more or less valid grounds for doubt—grounds for asking more or less offensive questions: "Was the witness telling the truth or equivocating—stalling for time?" If he told the truth—if his acknowledged ignorance was genuine—as to several essential factors in the successful management and financing of a railroad—then of what value are his—or any other railroad man's—statistics and tabulations of cost, profits, losses, rates, tariffs, "cost of velocity," etc., etc.?

Mr. Kirkman's reputation for truth and veracity, I believe, is as high as that of any other railroad man's in the country, yet on several basic factors in the problem which the Wolcott Commission was, presumably at least, trying to solve, he confessed an ignorance as profound as its members and the officials of the Postoffice Department acknowledge. If, as Mr. Kirkman virtually testifies, the information sought is beyond the ken of man, then why persist in spending thousands—*yes millions*—of money trying to run it down?

If these railroad men do *not* know the things which it is *necessary to know* to arrive at a solution of this railway mail carrying problem—to arrive at a just, equitable rate of pay for the service rendered—why waste more time on them?

That question brings us back to the *rails* again.

Why do not our postal officials and commissions reach out to Cornville and summon a few eighth-grade nubbins? Then turn over to them the *wastefully* collected and collated statistics, data and *talk* which the Postoffice Department has in cold storage and tell them to "go to it" at, say, $25 per week?

Yes, why not?

Skilled lawyers, reputed "experts," men of "experience" and "students," it would seem, have told all they know about this railway mail cost problem—told the truth or equivocated or *lied* about it, to

the best of their ability and in full accord and harmony with their several "standards" of veracity. Still they have failed to uncover or to *divulge* the essential and governing factors in the problem—failed for *thirty or forty years*. Is it not about time, then, for sensible people, I would ask, to enter the plea of the Master and say, "Suffer little children to come unto me?"

Any *average* "shock" of eighth-grade nubbins from Cornville, or from other hamlets where the "little red school house" has been in fairly active operation, will "figger" the cost—*the cost to the railroads*—of mail haulage and handling, in not to exceed *four weeks*.

That is, such a bunch of eighth graders will arrive at a dependable solution of this forty-year-old problem in four weeks, if they are given the *plain, bald facts upon which a correct solution depends*, and not turned loose on a lot of befudling, alleged data and *accepted* "testimony."

As I must necessarily touch upon the *raid* of the railroads into postal revenues when I reach the closing division of this volume, I shall not comment further here on the testimony and special pleadings presented by railroad representatives to the several postal commissions that have sat and sat and then "reported." The commissions probably—*possibly*, if not probably—reported the best they could on the evidence presented to them. Certain it is, their reports present much valuable—much informative—data of which neither Congress nor the Postoffice Department appears to have made any constructive or corrective use.

Before quitting this railway pay raid, however, it may be well to do a little figuring—basing our figures on Mr. Kirkman's tabulations of rates, printed some pages back. The tables of rates are correct. They ought to be. If rate-tables could vote the youngest of the two was entitled to the suffrage many years since.* But let us look into and over them in a little-red-school-house way.

The first mail rail-haul weight is 200 pounds. That weight of mail is carried on some cornfield railroad—"a feeder." It is all bundled or sacked, if "free in country" or other second-class matter, sacked or pouched if first or third-class, and, also, if valuable fourth-class. Some of the fourth-class, if large in dimension of package, may, of course, be loose. But whatever their class, character, pouching, sacking, casing, or jacketing, that *estimated* weight (*estimated*

*Tables corrected for 1908.

once every four years), is received by the railroad and dumped into a corner of a "general utility" car. By that I mean a car used for carrying baggage and express matter, between stations—jars, buckets, boxes, bags, etc., of local "favors" or shipments; such as jam, fruits, eggs, butter, and even "line loafers" who are going to mother, uncle, or friend for a few days feed, or—sometimes—going to the local metropolis for a "good time."

But let us, for the moment, stick to that *quadrenially estimated* 200 pounds of mail. At the several stations along the cornfield or "feeder" railroad the packages, sacks and pouches of mail are tossed off to the station agent. Coops of chickens, cases of eggs, tubs or jars of butter and crates of fruit or vegetables are taken on.

Have you, the reader, ever traveled on a "cornfield line?" Have you ever "got off to stretch your limbs" at some station between start or "change" to destination? Have you, while stretching those limbs of yours, ever noticed or taken note of the miscellaneous and promiscuous sort of goods—merchandise and human adipose tissue—that get into companionship, into carriage or *housed* connection, with that "estimated" 200 pounds of United States mail?

Well, if you have, no argument is necessary to convince you that the "railway mail pay" rate on that cornfield line is from *two to five times* the rate paid for any other weight (tonnage) carried.

Turn back and look at the table of railway mail-pay (weight). Look at the rate per 100 pound per mile haul—5.85 cents, or *eleven and seven-tenths cents* for carrying 200 pounds *one* mile.

Do you weigh 200 pounds? If not, our President and several other gentlemen in this country do, and you, the President, or the other gentlemen, will be carried—*and for thirty or more years have been carried on any railroad east of the "Rockies"—for three* cents a mile.

Now, you, the President, or other gentlemen, pay only *two* cents a mile for rail *haulage* on most all of the cornfield or "feeder" lines (and on "trunk" lines as well), east of the Rocky Mountains.

You see the joke of it? The postal revenue *raid* in it?

Two hundred pounds of United States mail is railroaded in a general—a catch-all or pick-up—car at a government charge of 11.7 cents per mile, while you, the President, or other gentlemen, pay but 3 *cents!* You, and the other fellows as well, have an upholstered seat, have watering and toilet facilities and accommodations, have

smoking, "pitch," "high-five," "cinch." "euchre" and, maybe, even "poker" as divertisements—with palatable "wets" on the side!

You, the President, and the other gentlemen, have all this *sumptuous haulage* for *three* (or two) *cents* a mile, while the 200 pounds (*averaged every four years*) of United States mail, handled as junk or dunnage, pays 11.7 cents a mile.

Does it not look—look to you—somewhat *off* at the corners somewhere? Does it not look as if that railway "system" feeder line was getting robustly *large pay* for the service rendered?

Well, if it does not so appear to you, it appears to me that you should, at your earliest convenience, consult some qualified and competent alienist, or drop into a "rest resort" for six months or more.

As to the other weights given in that tabulation—500, 1,000 and up to 5,000—nothing here needs be said. They are all below the "postoffice car" weights. At the weights, 5,000 pounds per day of mail-haul, the student of this rail-mail pay *raid* should sit up and begin to observe his nurse and the attending physician.

Before I further inflict the reader with personal comments, it might be of mutual advantage to quote a recognized authority on the weights actually carried in postal mail cars—weights of *actual* mail.

I take the following from the official report of the Penrose-Overstreet Commission, pages 30-31.

"It is stated in the report of Dr. Henry C. Adams to the former Commission (Vol. II, 233), that—

"The average loading of the postoffice car, according to the testimony before the Commission is 2 tons. It must be admitted, in view of the great weight of these cars, that such loading *pays little regard to the requirements of economy.* It is doubtful if, on the basis of such loading, the railways could afford to carry mail at a rate much cheaper than it is now carried. On the other hand, if cars were loaded with 3½ tons, which Mr. Davis says is an easy load, or should the average load go as high as 6 tons, which, according to testimony, is accomplished on the Pennsylvania Railroad by a special train, I am confident that *railways operate upon a margin of profit in carrying mail that warrants a reduction in pay.*

"For the purpose of emphasizing the importance of loading as essential to the determination of railway mail compensation, as well as to suggest the line of desired improvement in the present railway mail service, it may be added that were it possible to load 5 tons in a car, the expense would be reduced to $1,766 per mile of line; that is to say, a sum less than one-half the amount actually paid."

Dr. Adams in the foregoing was presenting a judgmental

summary, or digest, of the testimony before the Wolcott Commission on this "railway-mail-pay" question. His opinion, or conclusion, as to the dominent factors involved, has been recognized as authority—*if not final authority*—on the points to which he spoke.

Now, let us figure a little more. I'm not much at "ciferin." Maybe the reader can help me along. Let's get properly started.

Those rail "postoffice cars," of which Dr. Adams spoke, are from 40 to 55 feet or more in length. They must weigh, empty, or "stripped," figuring running trucks, body, etc., *forty to one-hundred or more thousand pounds*. So, according to Dr. Adams, this twenty to fifty ton vehicle is sent hurtling over a hundred or a five-hundred mile run on a steel track with finest and most modern engine or motive power, baggage and express cars ahead, and sleepers, buffet, diner and observation cars trailing, *to carry two tons of United States mail* in each mail car in the train.

Oh yes, I know that Dr. Adams spoke some years ago (1901, I believe), and spoke of the "average load" of mail carried by mail cars then. I also know that our present Postmaster General has "gone after" this railway mail car raiding—has made them carry more load. All praise to him for doing so. It was an action which *any* of his predecessors had the power to have taken, and which should save millions of postal revenues.

The department report for 1910 (P157), states, there were 1,114 full and 3,208 apartment postal cars in service—*rented* cars—while there were 206 of the former and 559 of the latter (a total of 765), kept in "reserve." That makes a total of 5,087 postal cars for which the government pays rent.

There is, however, another strong presumption—with some very robust facts which investigation has uncovered—that a considerable number of the so-called "reserve" cars are in the hospitals about railroad shops, where such patients receive little but "open air treatment." In "emergencies" it is legitimate, of course, to presume that the division traffic manager may order out or put on the rails any of these hospital cars, "full" or "apartment," as first aids to the injured. And it is right that he does so.

But why, in the name of George Washington, should all these hospital cars be charged up to the Postoffice Department? Yes, why?

Oh, yes, I know that they are all in "service" or "reserve"—*all subject to department orders.* But when one looks down from the ladder top into these shop-hospital yards for car patients, he not unfrequently sees, unless he is freakishly nearsighted or a victim of a new brand of strabismus, an old "flat-wheeler" which bears a marked resemblance to one that he used to, in days agone (long agone), pause, while husking the "down-row," and gaze at in admiration as well as wonderment. Of course, it did not wear "flat wheels" then. It also carries some mars and scars of time, just as The Man on the Ladder carries marks which did not stand out so conspicuously then as now. But there, on its sides, appears, somewhat dimmed by age, that patriotic, stirring designation: *U. S. Mail Car.*

This is not intended as a criticism. It is merely a suggestion as to where the present or some future Second Assistant Postmaster General may find additional *raiding* into the postal revenues.

A few years since, Professor Parsons asserted, (so the public press declared—I have not the document by me and am writing hurriedly—the Professor will, therefore, excuse me if I mis-spell or misquote. Corrections will be made in later editions) that the railway mail pay and car rental raid amounted to something like $24,000,000 a year.

Speaking again from press reports, Mr. Hitchcock seems to have been going after those raiders. At any rate he appears to have stopped that graft sluiceway to the extent—reports vary—of from *nine to fourteen millions of dollars a year.*

Again, Mr. Hitchcock, we say, may your tribe increase—*on this line of action .*

Now let us return and do a little "red-school-house" figuring on this railroad pay raid. Some pages back, we reprinted Mr. Kirkman's tables of weight and car rental pay to the railways. You can glance back and verify the figures when you deem necessary. Here "orders" force me to hurry. But in spite of orders a few generalizations in "cipherin," have to be made.

Many pages back, the Postoffice Department's *own* distribution of mail weights for 1907 (the last preceding "weighing period"), was printed. For ready reference, we will here reprint it.

	Per Cent.
First-class matter	7.29
Second-class matter	36.38

	Per Cent.
Third-class matter	8.32
Fourth-class matter	2.73
Franked matter	.21
Penalty matter	1.99
Equipment carried in connection therewith	38.12
Empty equipment dispatched	4.96
Total	100.00

A few pages back we figured out how a 200-pound mail weight haul stacks against, around and up-to a 200-pound *human avoirdupois* haul, assuming, of course, that the aforesaid avoirdupois is not casketed with the mail, express or baggage in front. Well, with that understanding, the reader may take my previous statements anent those 200 pounds of U. S. mail matter and human avoirdupois—whether citizen or imported—as made. He should also understand that what was then said fits, of course with a varying application, to the wheatfield, cornfield, oilfield, cottonfield, timber, tobacco and other "feeder" fields, which carry our mails at varying rates of pay for varying weights up to 5,000 pounds.

Now, at the weight of 5,000 pounds (2½ tons), is about where the "postoffice car" enters, and it is to the mail-carriage-pay the railways get for this postoffice car service we wish here to "cipher" on a little. As a start, however, the "example" must be "set." To do that a little preliminary figuring must be done.

The quadrennial weighing of the mails is now in progress. The last preceding weighing was in 1907. In the interim, however, Mr. Hitchcock, has made some special or test weighing—a good and commendable business movement—of second-class mail.

From these weighings the department, I take it, has arrived at estimated results more or less satisfactory—to itself at least. The 1910 report presents a tabulated tonnage of second-class matter on page 329. A prolix discussion of the cost of handling second-class mail appears on immediately associated pages. The discussion is a masterly, a forensic, production, and, outside of Indiana, the habitat of experts, it may stand out in fair form as a literary production. Our Third Assistant Postmaster General must, though, have got the wires crossed or the gear jammed on his comptometer to have reached those two "answers."

Sixty-two and a fraction per cent of the total mail is second class.

To haul and handle a pound of second-class mail costs the government nine and a fraction cents.

SOME LITTLE RED SCHOOL HOUSE FIGURING.

Now, let us sit down on the veranda, bring out the little red school house slates and do some figuring on this railway pay problem, question, proposition, or whatever the "experts" may choose to call it.

First, there, on page 329 of the 1910 report, it states, "estimated" on the basis of those 1907 "special weighings," that there were 873,412, 077 pounds of second-class mail carried and handled.

Let's see! Yes, of course, how simple it is. There's that 1907 table of percentages, a page or so back.

As it was "figured out" in 1907 *by the people who did the weighing*, or who bossed it, we may consider it as dependable as the Third Assistant Postmaster General's figures on page 329 of the department's 1910 report.

The reader will please understand me. I do not mean to say that either the 1907 or 1910 reports are dependable.

I wish the reader to understand that I understand, or believe, them both to be merely *guesses*—guesses more or less mis-stitched in the knitting and more or less frazzled and thread-bare by reason of long service.

But they are what we have to "figger" from.

Page 329 of the 1910 report says:

Total mailings (second-class), 873,412,077 pounds.

The 1907 tabulation of distributed mail weights (see table a few pages back) says that second-class mail, in carriage, is 36.39 *per cent* of the *total mail weight.*

Here's where we put our slates into service.

We'll first divide (look back at that 1907 table), 873,412,077 pounds by .3638—that being the percentage of *second-class* to the *total* of mail carried, as reported in the "special weighing" of 1907.

Well, .3638 into 873,412,077 gives us 2,400,802,850 *pounds* as the *gross mail weight* carriage in 1910.

That does not look near so large, nor so *questionably* peculiar, as does some other "answers" we are figuring out on our little red schoolhouse slates.

Looking back to that 1907 tabulated estimate, we find that, of the total weight carried—*and paid for as mail*—.4308 of that total for which we patriotic, likewise confiding, kitchen-garden citizens pay is not mail at all.

A glance at that 1907 tabulation will show us that 43.08 per cent. of the *total mail weight* for which the government pays is for "equipment" and "empty equipment dispatched."

Now let's take our slates again and multiply that total weight 2,400,802,850 pounds by .4308. "Well, what's your answer?"

One billion, thirty-four million, two hundred forty-five thousand, eight hundred and sixty-eight pounds!

Well, that's some tonnage, is it not? Of course, as the reader will readily grab hold of, that tonnage is not, in itself, staged as a "feature" in this "ciphering." This is a big country and its tonnages are big, whether of wheat, corn, pigs, fools, or mail. It is a "curtain" comparison we desire to have noticed and studied. Look at it, study it prayerfully, then put your thinker to work for about thirty seconds.

According to the Postoffice Department's own figures and estimates, it appears that a total tonnage of 2,400,000,000 pounds (omitting the tail figures), were handled, and the cost of all *paid for* by this grand old government of ours.

Next, let us notice that 1,034,000,000 pounds (tail figures again omitted), was not mail at all—sacks, fixtures, etc., etc.

Now, look at it—the result.

Railroads were *paid* for carrying 2,400,000,000 pounds of mail.

Of that total weight 1,034,000,000 (*nearly half*) was "*equipment*" *and "empty" equipment "dispatched."*

Beyond the showing of these figures, comment is scarcely necessary for anyone at all familiar with railway traffic methods and costs —whether the haulage is by slow or fast freight or by express—anyone will see the *raid* in it.

Look at that haulage of "equipment," which the postoffice revenues pay for! Pay for as mail. Look it over, and over again and then sit up and do a little *hard thinking.*

Waters Pearse, of Pearseville, Texas, ships, say ten or twenty coops of chickens to Chicago. He may ship by express or by fast freight—the latter of course, if "Wat" and his friends have been able to make up a carload. "Wat" consigns his chickens to some Com-

mission house in Kansas City, St. Louis, Chicago or elsewhere. Wherever our friend "Wat" of Pearceville, Texas, ships, or whether he ships by express or by fast freight, his empty coops will be returned to him *without charge.*

If Steve Gingham, in Southern Illinois—"Egypt"—has a hen range and his hens have been busy, Steve will have several cases of eggs to ship every week or ten days. Well, all Steve has to do is to take his cases of eggs over to the railroad station. Some express company will pick them up and take them to Chicago, to St. Louis, to Cincinnati, or other market. In a few days, about the time Steve gets the check for his eggs, he'll find the cases on the station platform returned to him, *without charge.*

What we've said about our friends, Wat down in Texas, and Steve in "Egypt," is equally true of any shipment of any sort of specially crated fruit or vegetables, of boxed, bucketed or canned fish, milk, etc., etc. The shipping cases, buckets, boxes or cans are returned to the shipper *without charge.* Yet here is this great government of ours paying the railways for nearly one ton of fixtures and equipment for every ton of mail (all classes), carried. Fixtures, equipment, etc., aggregated, in the weighing of 1907 (see tabulation a page or two back), 43.08 per cent of the total weight for which the government has paid mail-weight rates for four years—paid for hauling those racks, frames, sacks, etc., etc., back and forth over the rail-line haul *every day of the four years.*

Railroad people and their representatives have written voluminously, likewise *fetchingly,* to prove to an easily "bubbled" public that the government has been paying too *little* rather than too much for the rail carriage of its mails. I have read numerous such vestibuled productions. They were all good; top-branch verbiage and rhetoric, so smooth, noiseless and jarless in coupling that the uncritical reader's sympathies are often aroused, and his conviction or belief enlisted by the sheer massive grandeur of the terminology used. Try almost any of these *promotion* railway mail-pay talkers and throw the belt on your own thought-mill while you read. Four times in five the ulterior-motive writer or speaker will have you rolling into the roundhouse or repair shop before you know you have even been coupled onto the train. When you emerge, if your thinker is still off its belt, you will find yourself about ready to "argue" that the railroads are very much

underpaid, if, indeed, not grossly wronged by the government. I would like to quote some of the picture arguments from several of these railway studios but cannot. As illustrative of the general *ensemble* of these forensic art productions, I will, however, reproduce here a gem from one of them—a bit of verbal canvas so generic and homelike as to class as a bit of real *genre*.

The reader will find it in Pearson's Magazine for June, 1911. Who personally perpetrated it, I know not, and the magazine sayeth not. The editor of Pearson's, however, assures us that the article from which the following excerpt is made, was "prepared" by the authority and under the direction of the Committee on Railway Mail Pay, and as prominent members of said committee the editor gives the names of *Julius Kruttschnitt*, Director of Maintenance and Operation, Union and Southern Pacific Systems; *Ralph Peters*, President and General Manager, Long Island Railroad, *Charles A. Wickersham*, President and General Manager, Western Railway of Alabama; *W. W. Baldwin*, Vice-President, C. B. & Q. Railroad; *Frank Barr*, Third Vice-President and General Manager of the Boston and Maine Railroad.

That is certainly a representative quintette of railway artists and generally recognized as qualified to produce—verbally—almost anything in railway art, from a freehand tariff to a "car shortage" done in oil while the crops ought to be moving. Am sorry I cannot quote more extendedly. The following, however, will give the reader a sample of the "style" and also of the "argument" common to most of the *protective and promotive railway word pictures*:

> If, as has been reported, a certain railroad president ever did utter the famous phrase attributed to him, "the public be damned," the public has more than gotten even. It does the damning itself nowadays instead, and so effective is its verdict that we are even confronted with the spectacle of the government itself bowing to the popular prejudice irrespective of the facts in the case. Undoubtedly we have become a nation of stone-throwers. To a certain extent this has worked for the public benefit. Every deserved stone has worked for the correction of admitted evils. But so rapidly has the public taken to the lately discovered pastime of stone-throwing that it not infrequently uses its strength like a giant, and that, we have been told, is tyrannous. Let a corporation raise its head nowadays and it is greeted by a shower of stones of which perhaps not ten per cent. are intelligently cast. The only thing to do in such a case is to "duck;" argument becomes futile in the heat of battle.

* * * * * * * * * * * * * * *

That is sufficient to show the "style." The article then proceeds to give some mail-service history and to cite a few points wherein by "arbitrary" rulings the government is grievously wronging the railroads in under-paying them for the carrying of the mails. The following is one of the *strong* points or arguments presented:

Furthermore, the railroads hold that an additional injustice was done in this connection in the adoption of the present methods of determining the weights. In addition to the several reductions from the act of 1873 above mentioned, and in spite of the fact that various government committees admitted their injustice, a singular order amounting practically to a *juggling of weights in favor of the government* was issued under the date of June 7, 1907.

Under the date of March 2, 1907, the following order was issued:

"When the weight of mail is taken on the railway routes, the whole number of days the mails are weighed shall be used as a divisor for obtaining the weight per day."

But under date of June 7, 1907, a surprising order was issued reading as follows:

"When the weight of mail is taken on railway routes, the whole number of days *included* in the weighing period should be used as a divisor for obtaining the average weight per day."

Certainly this is a startling change of methods on the part of a government which has been attempting to establish a high standard of integrity in the conduct of all business. Slight as the difference in the wording of the two orders may seem upon a casual reading, the actual effect is drastic. Under the order of March 2, 1907, the total amount of mail weighed to obtain the average daily weight was to be divided by the total number of days on which it was handled. *Surely there could be no other fairer basis of determining the average weight.* But under date of June 7, 1907, the system of weighing was changed, so that to determine the daily average weight of mail the total weight should be divided, not by the number of days on which it was weighed, but by the whole number of days included in the weighing period irrespective of whether mails were handled daily during the whole period or not. *As a matter of fact in many cases they were not,* and this arbitrary "change of divisor," as it is called, further reduced the pay of the railroads for the transportation of mails by about 12 per cent in addition to the reductions above mentioned which *congressional committees* had previously characterized as unfair.

There, now. Is not that profoundly and beautifully conclusive? The strictures, hard and unjust regulations and abitrary impositions of the government in the matter of railway mail weights is working great wrong to the roads; is, in fact, so cutting into their earnings as to jeopardize their solvency or to force them to raise freight and passenger rates in order to continue business.

Very sad, very sad, indeed! And how unjust it is for the Postmaster General so to cut down railway mail pay as possibly to cut

down the dividends the railroads have been paying the "widows and orphans" who own stock in the roads—stocks and bonds aggregating two or three times their tangible value. Especially wrong was it for the Postmaster General to issue and enforce such drastic orders after "congressional committees" had declared any reduction of the weight-pay rate "unfair."

I shall not impose on the reader any extended discussion or consideration of the quoted bubble talk. A few comments I will make— comments which it is hoped will peel off sufficient of the rhetorical coloring to let the reader see at least enough of the real subject (the points involved), as will enable him to make a robust and correct guess at the "ground-plan" of both the sub and the superstructure the railway talkers and speakers are trying to erect.

First: Every right-minded citizen should—and when he rightly understands the matter, I believe, will—give the Postmaster General unstinted praise and commendation for the issuance and enforcement of the two orders which the railway men quote and complain about.

Second: The rail people say the last order (see quotation), "reduced the pay of the railroads by about 12 per cent."

Without questioning the veracity of the gentlemen under whose "authority" that statement is made, The Man on the Ladder, as a judgmental precaution, shall line up with the folks "from Missouri" until that 12 per cent is set forth in fuller relief—until he is shown. The reader will observe that the railroad authorities quoted merely say that the "arbitrary change of divisor further reduced the pay of the railroads." Whether or not the pay received by the roads *before* that order was issued was too low, low enough or too high is not directly stated by the writer or writers. That it is designed to have the reader draw the conclusion that the rate was low enough or too low before that second order was issued is made evident by the reference to the expressed opinions of "congressional committees"—opinions to the effect that the "reductions" forced by the first order were "unfair."

Third: The names of many men of both ability and of integrity have appeared upon the rosters of the Committees on Postoffices and Postroads of both the Senate and the House during the past forty years. In face of that fact stands forth in bold relief a fact so bare and bald—and so *suggestive* of wrongs done and doing by the rail

people—as to remove it from the field of serious debate. That fact is: For forty or more years the railroad men and allied interests have by lobbies, or other *persuasive* means, got the Congressional Committees (Senate, House and joint), to do about what they wanted done in the matter of rail carriage and pay for handling the mails, or to prevent the committees from doing things they did not want done.

Fourth: That "change of divisor," covered in the order of June 27, 1907, and which these railroad men accuse of causing a shrinkage of 12 per cent in the mail-weight pay the roads were receiving under the order of March 2, 1907, and prior, possibly was based on some valid reasons or grounds, or upon grounds the then Postmaster General believed to be valid. I have not before me, at the moment, any written data or information as to the reasons assigned by the postal authorities for that "change of divisor", or whether they assigned any reasons for the order making the change. I know, however, of one very good reason there was for making such a change on several railroads or divisions of roads.

The weighing of the mails was formerly made during a period of 90 to 105 days, or fifteen weeks, once every four years. The law now permits the Postoffice Department to make special weighings, I believe. On the average daily mail weight for those 105 days the postal department based its contract with the roads for carrying the mails for four years.

Now notice this: The terms of such contracts not only implied but specifically required a *daily* carriage of the mail weight for the number of days designated, allowing, of course, for wrecks, washouts and other unavoidable interruptions in the movements of trains.

Keeping that in mind, suppose the Postmaster General discovered that on a good many mail runs—"lines" or "half-lines"—suppose that the chief of the department discovered a condition on many mail runs similar to that I personally know to have existed on a few, in years 1907 and prior. That was, briefly stated, this:

The contract called for a *daily* carriage of so much mail weight and the government *paid* for that per diem carriage, the days of unavoidable interferences and interruptions included. Suppose that the postoffice authorities discovered that, by reason of the diversion of the mails to other lines, the *daily* mail service was not rendered;

or discovered, as in at least one instance I discovered, that the contracting road (or roads) gave little consideration to the *daily* service clause save during the *weighing period*, dropping the mail from train—skipping a day's service—whenever it was to their interests to do so, and often assigning the most flimsy reasons for so doing or assigning no reasons at all?

That order of June 7, 1907, would have a tendency to stop that sort of disrespect and abuse of contract stipulations, would it not?

Fifth: The writer of the article from which we have quoted appears to have got himself somewhat twisted in his consideration of that order of March 2, 1907. It seems that (see first paragraph of quotation) he would have the reader class it among those several forced reductions which "various government committees" had called unjust. But, further along, it is stated that "surely there could be no other fairer basis of determining the average weight" than that furnished in that order of March 2.

I wonder why the railroad lobby so strenuously opposed that order of March, 1907—connived and schemed for its rescinding, until the order of June 7, 1907, gave the gang of corruptionists something still more objectionable to the interests they served? Yes, I wonder why they so hotly opposed that order of March 2? If there could be "no other fairer basis of determining the average weight" in June, 1911 (the publication date of the article from which we have quoted), why was it not fair in March, 1907? And why was it not a fair and just basis for arriving at the average daily mail weights for many weighing periods prior to 1907? Did anyone ever hear any railway man advocating the "fair basis" provided in that order of March? Most certainly The Man on the Ladder never heard of such advocacy. The railway people did not advocate such a "fair" method of ascertaining the average daily mail weight their roads carried during a period of fifteen weeks—or during any other period—*because they were beneficiaries of some very unfair methods and practices which gave them pay for mail weights their roads did not carry.*

As I refer later to some of the practices indulged in the weighing periods, I will here mention only a method used for years prior to the issuance of that order in March, 1907—a method of arriving at the "average daily weight" for the carriage of which the railroad was to be paid for a period of four years. That method was, though I have been

unable to learn that it was ever officially authorized by the Postoffice Department, to find the daily average for each week covered in the weighing period and then arrive at the average for the whole period by dividing the sum of the weekly averages by the number of weeks in which the mail was weighed.

Nothing wrong with that is there? Should work out fair and square, should it not? Well, it did not. The method was all right in theory and in letter, but a crooked practice was worked into its application—worked into it by collusion between crooked railway and public officials. And the crookedness of the practice was very plain and bold and bald. It was what in street parlance would be called "raw." Here it is in figures:

Take a "heavy" mail line. Say the total mail weight for a week was, using a round figure, 840,000 pounds or 420 tons. Now dividing that total by 7, the number of days in a week and the number of days also on which the mail was weighed, would give a daily *average* of 120,000 pounds, or 60 tons. That is all clear and straight, is it not? Most certainly it is.

But the crooked application of the method divided the week's total by 6 instead of by 7—divided the total of seven days' weights by six. The railway people, you see, were great respecters of the Sabbath. They would run trains on Sunday to accommodate the public and to meet the necessities of their business, which was, and is, perfectly proper. They would also carry the mails for your Uncle Sam, which was also right and proper. But their lofty respect for the Holy Sabbath, or the high esteem in which they held our much loved and much abused Uncle, was such as induced them to hold up said Uncle as a respecter of the Sabbath, or seventh day, while they "held him up" in averaging his mail weights.

In the illustrative example we have put on the slate, the "hold up" would amount to—let's see: 840,000 pounds, or 420 tons, divided by 6 gives us 70 tons as the daily average for the week, instead of 60 tons, as the actual average was. That is a "hold up" for pay for ten tons a day—for 10 tons not carried.

"What did the hold-up amount to in cash?"

Yes, it might be well to follow our hypothetical or illustrative example to its *cash* terminal. Well, that is easily and quickly done.

The rate of pay per ton mile per year on daily weights above

2½ tons is $21.37.* That ten tons added to the daily average would give to the railroads, then, just $213.70 in *unearned* cash each day.

If the contract stood for full four years on such false average, the railroad would pull down just 1,460 times $213.70 of unearned money or a total of $312,002 in the four years.

I would, of course, not have the reader understand that our hypothetical example would fit all railroads. Many, in fact most, of the mail-carrying roads average in mail weight much below sixty tons per day—even below ten tons per day. Some roads were and are paid for an average above sixty tons. Nor would I have the reader understand that the crooked practice just mentioned was common to all mail-carrying roads. There were possibly—yes, probably, some exceptions—some roads that carried so little mail as not to make a steal of a sixth of its weight-pay worth while.

I would, however, have the reader understand that I mean to assert that *most* of the mail-carrying roads were parties to the crooked method here described and that the hypothetical figures here given applied, proportionally, to any average per diem weight of mail covered in the carriage contract, whether it was one ton or a hundred tons.

I would also have the reader understand me to assert that, so far as information has reached me, no railroad man, or man representing the rail mail-carrying interests, ever questioned the "fairness" of the crooked practice just described—a practice which looted the government of millions of dollars.

As a *raider* into postal revenues, this thieving practice, it must be admitted, deserves conspicuous mention—more extended notice than I have given it.

*The rate 1907 and prior. Now the rate is $20.30 for tonnages between 2½ and 24 tons and $19.24 for each ton above 24 tons.

CHAPTER XIII.

RAIDERS MASKED BY CIVIL SERVICE.

One other raid into the postal revenues I must notice before passing to a consideration of the parcels post question, in which consideration of other raids and raiders will be mentioned.

Here I desire to refer to that band of raiders—thousands in number—who are carried on the payrolls of the Postoffice Department—carried at salaries ranging into the thousands in many cases—and who do little or nothing of service value for the money paid them.

The Postoffice Department is a large institution and does a big business—a huge business which has much detail and extends over a vast territory. To handle such a business properly, necessarily requires the service of a large force of operatives. Most of the work of the department is of that sort which human brain and muscle alone can do. The machine can touch but a few of the minor details of the vast amount of work our Postoffice Department handles. It may cancel stamps, perforate documents, etc., but it cannot collect, sort, distribute, carry and deliver mail. It requires human muscle and brains to do such work. Much of it requires skill — the trained eye and hand as well as academic knowledge.

Well, the Postoffice Department employs a large force—a vast army of men, and some women, I believe. Counting the employes in its legal, purchasing and inspection divisions with the postmasters, assistant postmasters, railway and office clerks, city and rural carriers, messengers, etc., there must be somewhere around 330,000 people employed in our federal postal service.

Whether that is too large or too small a force for the *proper* handling of our postal service is beyond my purpose here to discuss. That the business now handled by the department could be far better handled by 330,000 employes than it now is, and that such a service force could, if properly directed and disciplined, handle a business much larger than that now transacted by the department, I do not hesitate to assert. I base that assertion chiefly on the following observed conditions:

First: There are frills and innovations in handling the business

which take up the time of employes and which have little or no service value.

Second: There is, not too much "politics," as Mr. Hitchcock and his immediate predecessors have modestly but wrongfully called it, but too much political partisanship—*dirty, grafting, thieving, partisanship*—not only in the appointment of people to the service, but also in making partisan, often grafting, crooked use of them after appointment.

Third: There are too many non-producers—non-service producers—among that army of 330,000.

It is the last, or third, condition named that I shall here briefly consider, or such observed phases of it as, in my judgment, so trench into the postal revenues as not only amounts to a raid in itself, but which also encourages others to graft and loot.

First, I desire to say that there are many thousands in that postal service, many who are honest, faithful and *competent* workers. There are about seventy thousand (69,712 according to the department's report for 1910) carriers, city and rural, most of whom work industriously and efficiently and who are underpaid for the service they render.

There are about 50,000 clerks employed. Of these, the 1909-10 report says, 16,795 are railway clerks. Quoting the same report, there were 33,047 postoffice clerks in the service. All or nearly all of these are employed in the "Presidential" postoffice—offices of the first, second and third classes. Of the total number of clerks, 31,825, are employed in offices of the first and second classes. There were 424 offices of the first class and 1,828 of the second. That placed the service of 31,825 clerks in 2,252 offices. The report (1909-10), from which these figures are taken states 5,373 as the number of third-class offices. The remainder of the reported number of clerks (1,222) are, it is presumed, distributed among those 5,373 third-class offices. At any rate, in the statement of expenditures for the fiscal year ended June 30, 1910, the Second Assistant Postmaster General, Mr. Stewart, presents the following showing of expenditures as compensation to clerks:

Clerks in first and second-class postoffices (31,825)	$31,583,587.37
Clerks in third-class postoffices, lower grade	540,891.31
Clerks in third-class postoffices, upper grade	663,632.20

The lower grade of third-class postoffices comprise those which yield the postmasters an annual income ranging from $1,000 to $1,500 and the higher grades are those with a compensation of $1,600 to $1,900 to the postmasters. In this connection, it should be noted that for the fiscal year there was paid, in addition to the amounts above named, the sum of $325,953.44 for what are called "temporary" and "substitute" clerks.

Adding these various sums gives a total of $33,114,064.32 paid for clerk hire for clerks in first, second and third-class offices—in the "Presidential postoffice," or offices to which the President has, by law or otherwise, been granted or permitted the right to appoint the postmasters.

As previously stated, there is a total of 7,625 Presidential postoffices on the payrolls of which are carried the names of 33,047 clerks. In addition to these are 16,795 railway postal clerks. Beyond saying that the appointment and advancement of these last-mentioned clerks have been in the past—*and yet are*—largely influenced by assistant postmaster generals, superintendents and other chiefs of division in the Washington or department office and by Senators, Congressmen and *postmasters* in offices of the first and second-classes, I shall not consider them further here, nor do I include them in the adverse criticisms I shall make of the clerical force and service of the department.

It should, however, be noted in this connection that in addition to the 31,825 clerks employed in the 2,252 offices of the first and second classes, there are 2,237 assistant postmasters. These were paid $2,536,997.24 for the year ended June 30th, 1910. There were in offices of the first and second-classes 2,252 postmasters. To these was paid the sum of $5,814,300. That makes the service personnel of the first and second class offices, not counting carriers, messengers, etc., 36,314, and gives a total of annual expenditures for this service amounting to $40,465,361.56.

The reader will please keep in mind the fact that the foregoing figures apply only to postoffices of the first and second-classes. There may be a few clerks and also assistant postmasters in offices of the third-class. If so, there are so few of them that the department did not deem it worth while to account for them in that position in any of its fiscal statements, so far as I have been able to find. I

would ask the reader also to bear in mind that while the following strictures are intended to apply to all three classes of Presidential postoffices, their application is less general and less forceful in offices of the second than in offices of the first class, and less in offices of the third-class than in either of the two higher class offices.

There has been much talk by Postmaster Generals in recent years about efforts made and making to get the employes of the Postoffice Department into the classified service—getting them under civil service protection. Not only has this been made subject of urgent advocacy in almost every annual department report of recent years, but Postmaster Generals have made prolix and voluble reference to and favorable comment upon the progress that has been made in "taking the department out of politics." Mr. Hitchcock in the 1909-10 report commends highly the progress made in that direction. See pages 13, 14, 24, 85, 86 and others of the report. The party stump and banquet oratory of the past twelve or more years has sparkled—fairly scintillated it might be said—with rhetorical corruscations about what "the administration has done" to remove the federal service from the "baleful clutch and influence of politics."

Now do not misunderstand me. I am not saying this because the Republicans have been in control of things. Had Democrats been at the helm of the national craft, they would have done the same. The Democratic politicians might have done more or less than the Republicans have done to get the civil service of the government away from corrupt and corrupting partisan influences. The Republicans have done only what they have been compelled to do—compelled by general public demand. So the Democrats would have done, had they been in power. Politicians do not want a civil service free from party control. The "jobs" have been and *are* a source both of spoils and of continued power to the so-called "practical" politician of either party—of any political party. That is why the party leaders—"bosses"—fight so persistently and craftily to retain control of the civil jobs. That is why almost every civil service law or "executive order" for placing civil employes under a merit or efficiency classification carries a "joker" somewhere about its clothes. That is true of most all such laws and orders so far enacted or issued, whatever be their field of application—city, county, state or nation.

So I desire the reader to understand that there is no political

or party animus in what I may say in adverse criticism of the jokes and jokers which so conspicuously decorate the Republican display of effort to place federal postal employes under classified civil service and which, it is said, "has taken them out of politics and will keep them out." The Man on the Ladder believes in civil service, but he does not believe in either legislative or executive "jokers" which, under the guise and pretense of establishing a *protected* merit classification of public servants, makes stealthy crooks and turns to keep their own partisans on the jobs, regardless of either their ability, merit or fitness.

Now let us return to our subject—to the points which make much if not most of the alleged "progress" in the postal department toward the institution of a *merit* classification of its office employes but little more than a move on lines to keep administration partisans on postal service jobs, and which makes this much-talked of progress toward efficiency conserve party more than service interests.

But some readers may urge that this is mere assertion. Well, let me present a few facts and conditions which support the assertions, or which, to me, seem to make the statements assertions of fact.

Mr. Hitchcock rightly asserts (page 13 of 1909-10 report) "that the highest degree of effectiveness in the conduct of this tremendous business establishment cannot be attained while the thousands of postmasters, on whose faithfulness so much depends, continue to be political appointees. The entire postal service should be taken out of politics."

Well and good. Following the foregoing, he mentions the fact that all assistant postmasters have been placed in the classified service by order of the President. Mr. Hitchcock, "as a still more important reform," recommends that "Presidential postmasters of all grades, from the first class to the third, should be placed in the classified service." He also speaks of efforts made and making to place the fourth-class postmasters under its laws and regulations. He points out some valid difficulties to be surmounted if such desired result is attained without impairment rather than betterment of the service. The First Assistant Postmaster General, C. P. Granfield, states in his report, that, under an executive order dated November 30, 1908, all fourth-class postmasters in *fourteen states* have been put into the classified service. He also explains briefly the method of procedure in filling vacancies—*when they occur.*

That is probably sufficient preliminary. Now for a few of the observed and observable conditions which govern in civil service as thus far applied in the Postoffice Department. Taking the fourth-class postmasters first, it may be said the method of appointing such postmasters by civil service examination scarcely rises to a dignity entitling it to serious consideration. While the method itself *reads* well, its application, in many instances, is but a joke—a tame joke at that. Postmaster General Hitchcock substantially admits, as previously stated, that conditions are met with which make its application extremely difficult if not quite impossible.

Certain it is that, so far as applied, the results have given a vast majority, if not all, of the certifications to persons of administration party affiliation.

Then, too, it might be asked by a person addicted to the habit of doing his own thinking—a habit very obnoxious to party "leaders" and to politicians of the so-called "practical" breed—it might be asked by any capable, independent thinker, if it was mere chance that selected twelve administration and two "doubtful"—chronically doubtful—states in which first to make application of a civil service method to the selection and appointment of fourth-class postmasters?

While there are, according to the last published department report, about 52,000 fourth-class postmasters in the country, a great majority of them are persons of little or no local political influence. Beyond their own votes, then, they are of little service to the administration party, save as distributing or disbursing agents of the party in power for its campaign literature and other promotion matter. They are used also to keep the county and state "bosses" of the party advised of local political conditions as they view them—flurries in the party atmosphere, as indicated by hitching-post and whittling discussions of party legislation and proposed legislation or of party policies, as set forth by the published utterances of state and national "leaders."

In such and other minor ways, then, the fourth-class postmaster may be a helpful instrument in the retention of power by the political party in power—the party from which he has received appointment. So it is good "practical" politics to keep such a party agent on the job. To that end, then, the party in power—the administration—places the fourth-class postmaster in the classified civil service, thus

making his removal more difficult, if not impossible, in case an opposing party should win out at the polls and take charge of the government.

The foregoing is said, of course, on the pre-supposition that every reader knows that a vast majority of the postmasters and other personnel of the postal service today is of the political party in power. In saying that the party from which these postmasters and other postal service employes received their appointments has been and is using a civil service classification largely, if not wholly, for partisan ends. I say only—in fact have already said—that the Democratic party or any other party would, if in national control, make similar use of the civil classification. And such partisan manipulation of a merit service classification will continue *so long as we fool people will stand for or permit it.*

The chief "jokers" woven into most all civil service laws and executive orders are these:

First: The law or "order" directing the application of a classification of a service into certain grades, places those holding positions at the time of the enforcement of such law or order, into the various grades *without any examination as to their merit or efficiency.*

Second: Such laws and orders almost universally provide a promotion or advancement credit for "experience," and the only factor or element recognized in the make-up of experience is *time.* The number of years an employe has been on his job or in the service is his "experience."

Third: Such civil service laws or orders always provide for examinations—usually an "entrance" and "promotional"—and for "examiners." Seldom is anything said as to the qualifications of the persons selected as examiners. Their selection is invariably left to a "Civil Service Commission," and the membership of such commission is as invariably left to *partisan appointment.* There is usually a pretense of making such commissions "non-partisan," that is, one of three or two of five of the appointed commissioners are to be of the minority party. Nevertheless, they are *all* appointed by the majority party—the party in power.

All three of these "jokers" are in the government civil service laws and the extension of those laws to the various divisions of the federal civil service is left largely or wholly subject to the orders of the

President. I object to a classified merit service under such statutory "jokers." They provide a service more partisan than efficient. They permit a payroll raid upon the revenues from which employes are paid. They retain incompetent, inefficient persons in graded positions for partisan purposes—often "grafting" purposes—rather than for service reasons. They leave the promotion or advancement of honest, industrious and competent employes largely, if not wholly, subject to the will, wish and whim of a partisan appointed or elected superior or to a partisan civil service commission. They provide for advancement on an "experience"—a time service—which may not, and which in many cases does not, constitute an experience of any value whatsoever to the service.

I have said that the office personnel of the government's postal service embraces a large number—*thousands*—of raiders on the postal revenues. I repeat that assertion here.

Most of these raiders occupy the higher salaried positions—postmasters of the "Presidential" classes, assistant postmasters, chief clerks and others who secured their positions through partisan "pull" or "drag." These do little work of service value for the salaries paid them. Many of them are so occupied with affairs of their party that they have little time for service work even if they were inclined to do it. Most of them are not so inclined. Many of these raiders know of—some of them have been parties to—railway mail-weight, contract and other raids upon the department they are supposed to serve.

But this is only generalization, some one may say. In answer I say kick off your blanket of apathy. Go do a little investigating and then do a little—just a little—hard thinking. See what you shall see in even such a modest effort to put two and two together. Visit a "Presidential" postoffice in your county, preferably the one at the county seat or the one at the capital or at the metropolis of your state. These cities are the storm centers of partisan activity, likewise of partisan manipulations, bubble and crookedness. If you know the postmaster, so much the better. If you are of the same party affiliation as the postmaster, still better. If you are not, do not let that deter you. You visit him to see things for yourself, and an investigator is not only warranted but fully justified in appearing to be what he is not. Fix upon some subject of inquiry before you reach the

"presence" on that particular "Presidential" P.O. throne. Then ,with ears spread and eyes shrewdly as well as interestedly open, go to it.

The postmaster will be glad to see you if he knows you. If he does not know you, he will be assumedly glad to see you anyway, after he learns where you are from and that you have an in-grown habit of voting the ticket of his party. He may even warm up to the extent of tendering a box of his favorite brand with an invitation to smoke up. Then he will probably want to know "how things look up your way." It does not make much difference how or what you answer, so long as it is favorable to "the party." He is handing you a case-hardened jolly. You must be gentleman enough to return the courtesy. "I know you are a very busy man, Mr. Jones, and I must not take up your time. I want a little information and decided I would come to the right place to get it," etc., or something along such lines will do.

Then ask your question or questions. Preferably let them be about some detail or details in the handling of "the large business" of his office. Now you will begin to see things.

The postmaster will press a buzzer button. In response a well groomed gentleman appears whom, by introduction, you learn is his assistant. "Fred," says the postmaster, "Mr. Smith here desires some information. He is from Brainville and—well, he is a friend of ours. Now, Mr. Smith," with a real "glad-hand" shake, "you go with Fred. He'll dig up any information you want, and, now, don't forget to call on me the next time you are in town."

Then you go off with Fred. He sluices a lot of kiln-dried small talk at you and rounds out with "How are things up at Brainville, Mr. Smith?" Of course you assure him that things "look good" to you, or that, in your opinion "there will be nothing to it but counting our majority." By this time Fred has steered you to the chief clerk. To the latter he says, "Here, Baker, shake hands with Mr. Smith. Mr. Smith lives up at Brainville and is one of our friends. He wants some information. You see that he gets it will you?"

Fred, then, with another ingratiating hand shake, leaves you in Mr. Baker's care. To him you state the points on which you wish enlightenment. "Oh, I see," says Mr. Baker. "You just come with me and I'll have you fixed out." Then, if it be a postoffice of fairly large business, he will take you over to some chief or foreman of

division, tells him what you desire to know and instructs him to inform you. The division boss next takes you in tow and with much pleased and pleasing talk steers you down the line to some $900 or $1,200 a year clerk to whom he turns you over. This shirt-sleeved clerk knows the answer or answers and gives you the desired information in about three minutes.

Incidentally in your round of the postoffice, you have asked some conventional questions and have learned, among other things, that the assistant postmaster, chief clerk, division chief and other top-notchers in the service are all men of "experience"—have each been in the service five to ten years and "know the business from garret to basement."

Once outside or on your way home, some questions will begin swimming a marathon in your think-tank. Such as these for instance:

"Did those topnotchers really know the business of their office?"

"If they did know, why did they troll you around for an hour to get information which a shirt-sleeved *worker* gave you in three minutes?"

"If they did not know, then what have they been doing during their five or ten years of service?"

"If they know so much, how many years would it take "Boob" Sikes of Boobtown to learn as little as they appeared to know?"

By the time the questions begin to take on this sort of "How old is Ann" character, you will have reached the conclusion that you have discovered something and have seen things to prove it.

Just here it may be pertinently asked, why those top-notchers in that postoffice should be blanketed by the stipulations of a civil service law which gives them merit credits and grades for the years they have been in the service? If you and I have been loafing on a job for five, ten or more years—been foozling with the duties of that job while heeling and fanning for a political party—why should the law credit those years to us as service "experience?"

In placing any service or a division of any service under a merit classification, the law should require that every position in such service be filled by examination, and such examination should be open alike to the shirt-sleeved employe already holding a position in such service and to outsiders. Such a requirement would show what of

service value there really was as a result of the years an employe had been in the service.

Do you ever go to Washington, D. C.? If so, the next time you go, take in one or more of the main divisions of the Postoffice Department. Some guide or clerk will probably be detailed to steer you through. Your pilot will talk considerable and his talk will listen well. You need not, however, hear all nor even much of what he says. As advised in your visit to the Presidential postoffice, keep both your ears and your eyes open to hear and see what the service employes say and do.

You will observe that a considerable number of the clerical force are doing something—are really trying to work. You will also discover before going far that a number of employes are industriously engaged in talking. The smiles and quiet laughter which embellish their conversation may lead you to believe that they are talking about some of the humorous incidents and features of the postal service. Do not, however, be hasty in arriving at such conclusion. If you get near enough to hear an occasional word, you may discover that their conversation is evidently about something which a humoresque writer has described as "the recently distant elsewhere," and not about the department service at all. It may be about some feature or phase of Washington's social flux or about some social function which is to stake a temporary claim in the circle in which the talkers circulate. In short, you will discover that the conversation is but commercially pasteurized small-talk and not business.

Moving on, you will observe other little groups in animated conversation. A glance at the anæmic appearance of some of the talkers will lead you to the immediate and sound conclusion that the subject of conversation cannot be weighty. Politics, even party politics, either practical or progressive, you will readily see would be some sizes too large for them. Getting within hearing range, you will learn that these industrious servants of the people are discussing the telling points in some prize fight "pulled off" the night before or of the ball game which some one or more of the coterie had seen the day before. Maybe some one of the group is turning loose his stem-winding, automatic bloviate ejector in telling his interested auditors about what a "ripping time" he had with Rose at some dance or other party last night. What you hear will be sufficient to convince you

that these "classified civil service employes" must put in considerable time in mental and physical exertion to work out of their systems the lessons they were taught at mother's knee, and much more of their time trying to keep several laps behind their jobs. You will also see that some of the service men are workers — real *workers*—who earn more than the salaries paid them. So, too, are there many of them whose industry should make a more or less conspicuous service trench into four or five dollars a day. But when you get outside or get home, you will remember having seen numerous supervising and directing heads and many clerks who appeared to be actually tiring themselves out in exertions to keep away from work.

Yes, I repeat, the Postoffice Department carries upon its pay-rolls too many non-producers of service values—too many mere payroll-raiders on the postal revenues. Putting all these into graded classified service and under the protection of a "joker"-ridden law will not improve the actual service—will not stop the raid of which I have been writing.

The civil service of the government and subordinate division of it—city, county and state—should be controlled by law, not by political partisanship. Mr. Hitchcock is forcefully right in what he says on this very important subject. But laws providing rules and regulations for the betterment of a public service should not provide blind alleys and trenches through which dominating party officials and "bosses" may so easily obstruct or balk accomplishment of the purpose, or the alleged purpose, of the law. I have mentioned three objectionable features common to nearly all civil service laws—to all that I have read. There are other objectionable provisions in some of the laws. I am not, however, intending to discuss here the desirability or the objections to civil service, either as it is or as it should be, save in so far as the present federal law has applied, is applied and may be applied, to the postal service.

I have tried to show how three of its joker provisions—only *three* of them, mind you—have worked, have been and may be "worked," to keep party henchmen on the jobs rather than to secure to the people industrious, capable and efficient servants. Of the three wire-tapping provisions of the law mentioned, I have suggested how two of them might, in my opinion at least, be remedied. The third is that of leaving it an easy possibility to victimize employes through the

agencies of partisan commissions selected to enforce or administer the law and of incompetent, biased and prejudiced persons such commissions may select to conduct examinations for entrance or promotions in the service. How remedy that?

Having civil service commissioners *elected*, instead of being selected by a temporary official over-lord would, in my judgment, go far toward correcting the abuses which now flourish so luxuriously under that third "joker" provision of the law.

Any service embracing a considerable number of persons in its execution, must be closely supervised if anything approaching efficiency is attained and maintained. An old German saying reads thus: "The eye of a master will do more work than both his hands." If value is secured either in public or in private service, the people paid for delivering it must be kept under close supervision—must be kept under "the eye of the master." A consciousness of having earned his pay should enable any service man, whatever his position, to shake hands with himself without blushing at the close of his day's work. But if his superiors set him an example in loafing, of hitting the nail slack while on duty, most men will soon learn not only how to loaf but how to accept any amount of pay for services not rendered, and accept it, too, without a flicker of blush or jar of conscientious scruple.

So in closing our consideration of this phase of our subject, permit me to say that efficient civil service will never be attained—can never be attained—if department, division and other supervising and directing heads sit at their desks most of the time, approving documents and requisitions, reading reports and talking politics. If they expect men under them to work, they must get out on the job where they expect the work to be done, and that, too, whether the job be in the office or in the field.

CHAPTER XIV.

PARCELS POST RAIDERS.

Anyone who attempts to give our parcels post service anything like careful, studious consideration will, at the very outset of such consideration, find himself confronted by a number of bald facts which, when fully rounded out and understood, should make unnecessary any discussion of our claim that we need, should have and are entitled to better and cheaper service than that we now have. Without attempting any immediate discussion of these facts, I desire to present them, or some of them, to the reader's consideration just here at the opening of our discussion of the subject. The desire to do this is prompted by a hope that their presentation here will induce the reader to think of their significance and their bearing upon the parcels post question in any fair discussion of it.

Now for these facts:

1. There are about 250,000 miles of railroad in this country—more than the aggregate mileage of all the other nations of earth.

2. The capitalization of the railroads of these United States is now, according to Poor's Manual of Railroads, the universally recognized authority, about $18,800,000,000—*Eighteen billion eight hundred million dollars!*

3. That capitalization is admittedly *twice* the value of all the tangible values—trackage, rolling stock, terminals, shops and other—owned by the roads. In many instances the capitalization of a road is easily three times the value of its tangible property.

4. Most of these railroads were built with borrowed money, covered by bond issues, and the payment of the bonds met from the *earnings of the roads*, or by new issues of bonds, payment of which has been, or it is intended will be, met from earnings. In view of this method of financing construction and equipment, it is well known in informed circles that the present capitalization of these railroads is *ten or twelve* times the actual cash ever invested in them—that is, cash other than that collected from the people for freight, passenger, and other service rendered—rendered at rates *unscrupulously* excessive. Some of the best informed people have gone so far

as to say that *all* of the stock and a considerable part of the bond capitalization of the nation's railroads *is water.*

5. There are a number of express companies in this country. The express business of the country, however, is controlled by six companies—the "Big Six."

6. The express transportation (land) is wholly by railroads. The railroad companies, and men owning large or controlling interest in railroads, own a large majority of the "Big Six" stock capitalization.

7. For most of the express company stock owned by railroads, no cash consideration whatsoever was given. For the stock, a railroad company gave to some express company a monopoly of the express business on its line or system of lines of road.

8. The express companies, in addition to any stock bonus they may have given for the monopoly of the express business on a rail line or system of lines, pay to the railroads on which they operate *forty to fifty-eight per cent of the gross receipts* from the express business handled.

9. The railroads furnish cars free to the express companies. They also furnish depot accommodations and facilities for storing and handling express shipments. In some instances, as much as 90 per cent of the handling of express shipping is doue by railroad employes.

10. There are thirty-seven directors in the controlling express companies. Of these, thirty-two are also directors in some one or more railroad companies or are large owners of railroad stocks and bonds.

11. Practically no cash investment whatsoever was ever made in establishing or organizing an express company, nor in equipment to conduct its business. Every dollar of value there is in equipment and other tangible assets of the express companies today—and *hundreds of millions besides*—has come from the people—has been *taken* from the people for handling their express business at rates ranging from *two to five times the actual cost of handling.*

12. The controlling express companies—"associations" some of them are called—pay 8 to 12 per cent dividends yearly on their stock capitalization, which stock has but a fraction of substantial values back of it, and *all* those real values have come from earnings.

13. In addition to the regular annual dividends paid, these express companies, every few years, "cut a melon"—pay stockholders a substantial "extra" dividend. One company (Wells, Fargo & Co.), with a stock capital of $5,000,000 in 1872—and no one knowing what tangible assets that five millions represented—increased it to $8,000,000 in 1893. That added $3,000,000 was issued to the Union Pacific Railroad for a contract which gave the express company a monopoly of the express business on the Union Pacific rail system. On that eight millions the express company paid annual dividends ranging from 6 to 9 per cent from 1893 to 1901. From 1902 to 1907 it paid 9 per cent annually, since which date its annual dividend rate has been 10 per cent.

In addition to these substantial yearly dividends on $8,000,000 of stock, *which cost its holders little or nothing*, this company cut a huge "melon" in 1910. This melon was an extra dividend to its stockholders of 100 per cent in cash ($8,000,000) and a stock dividend of 200 per cent—*a total of 300 per cent as an extra dividend*—thus raising its stock capitalization from $8,000,000 to $24,000,000.

On this twenty-four millions of stock the company has continued to pay 10 per cent annually.

The net earnings of the company for 1910 and 1911 were about 20 per cent on its $24,000,000 of stock.

14. There are no express companies in European countries. The heavier express shipments here are there handled—and satisfactorily handled—by the railroads direct. All the lighter express shipments are there handled by the parcels post.

15. The parcels post service of European countries is entirely satisfactory to the people, is cheaper than the pretense of a parcels post service which has victimized the people of this country for a half-century and *far* cheaper than the rates we have been forced to pay for express service.

16. As it was originally designed, *and so provided by law*, that our government should have a monopoly in the carriage and delivery of packages and parcels, the express companies in this country—*all of them*—have been and are engaged in an *outlawed traffic. They are criminals.*

17. Our government, in all its branches—legislative, executive and judicial—has been party to this outlawry. It not only has

protected these express and railway raiders while they robbed us, but *it has permitted itself to be robbed by them.*

The seventeen statements of fact should be sufficient for a starter —a starter for arriving at a safe, sound conclusion as to how and why a comparatively few folks get fabulously rich so quickly and so easily while so many *millions* of other folks, though lavish in industry and self-denying in expenditure, rise only to modest means or remain poor.

We shall now take up a discussion of the parcels post—as it has served us, and as it has served other peoples and should be made to serve us.

The first thing that is noticed in taking a ladder-top view of this Parcels post question is the *immense* amount of public bubbling talk and writing and *money* that is being expended upon, about and around it.

Is it the people? No. That is easily to be seen. The people are being written and talked to. The people are saying little, write less and are not *putting up the money to bubble themselves* in the *anti*-parcels post campaign.

Is the general government putting up the oil and fuel to run this anti-parcels post bunk-shooting game?

Well, the government for years has made little noticeable effort to give the people better and cheaper parcels accommodation in its mail service. That is, the *executive* arm of the national government has done so. The legislative arm of the national government has *uniformly,* though never unanimously, *opposed* any and every measure intended to increase the *service* value of parcel mail-carriage to the people.

"Why have U. S. congressmen and senators opposed?"

They have opposed, because the party caucuses of the House and the Senate have been and are dominated and controlled by men who were and are opposed to such legislation.

Still, the government, executive or legislative, has probably spent no money and has certainly made little noise to defeat the establishment of a better and cheaper parcels post service.

Now, if it is not the people themselves nor the people's government who are making all the parcels post noise, *buying* newspaper space and putting up money to *steer country merchants and others*

into organizing and petitioning against increased parcel facilities in the mails—if it is not the people trying to bubble themselves nor the government trying to bubble the people, I wonder who it is? Who is putting up for the *fuel and oil* to run this anti-parcels post *opinion-molding* sulky-rake, which has been so vigorously, so industriously and so *designedly* dragged over the mental hay-fields of the American *hoi polloi* during recent years? What's the answer?

Unless, of course, one has taken on an overload of this anti-parcels post tonnage, thereby giving his *feelings* a chance to hip-lock or strangle-hold his intelligence, he'll not need to browse around long for an answer.

You have a boy working at Blue Island or Elgin, Illinois. Mother in Chicago wants to send him a Christmas present. If it weighs no more than four pounds she can send it by mail, paying *one cent an ounce.* If she wants to feel sure that her boy gets it, she can "register" the parcel, *paying ten cents more.*

If the parcel weighs *the fraction of an ounce more* than four pounds, mother *cannot send it to her boy through the mail service at all.* If the parcel weighs exactly four pounds, then our Uncle Samuel will deliver it at Blue Island or at Elgin when mother puts up *sixty-four cents*—seventy-four, if mother wants to feel sure that her boy gets it and for that reason has the parcel "registered."

That is one case—one *statement of fact.*

Andrew Carnegie at Skibo Castle, Scotland, desires to send a four-pound Christmas present to some son of Norval or "blow-hole" friend in Los Angeles, California, or Mrs. John Bull, at Manchester, England, has a yearning—and the price—to send a present of corresponding weight to her daughter Margaret, who is happily, likewise *richly,* married and who lives in a beautiful suburb of San Francisco. Well, "Andy" and Mrs. John Bull can send their four-pound presents—to be more exact, *they* can send even if the parcels weight up to *eleven* pounds each—can have those four-pound parcels carried by rail to some steamship port, carried across the Atlantic ocean, put into *our* mail cars, carried with *our own* mail across the entire country and *delivered by American carriers* to the *remotest* suburb of Los Angeles or San Francisco for *forty-eight cents—three-fourths* the price mother has to pay to get *her four-pound* present to her boy at Blue Island or Elgin!

That is another case—*another statement of fact.*

For *many years* the United States government has *carried* parcels of newspapers, magazines and other periodicals, weighing up to 220 *pounds*, to any point in the country reached by its mail service, broke the package and delivered each separate piece to individual addresses in postoffice boxes or by carrier *for one cent a pound.*

Yet it persists in charging mother *sixteen cents* a pound to send her present to her boy at Elgin or Blue Island and *compels* her to keep its weight down to *four pounds.*

That is another case—*another statement of fact.*

For many years, the government has carried by mail, not hundreds, but *thousands* of tons of parcels *free.* Every United States Senator, every Congressman, every department head, every division head, every first, second, third or fourth "assistant" department or division head, every political "fence" builder, whatever his position in the government's official service, *uses his franking privilege.*

Not only that. *Most of them abuse it.*

Not only that. Most of those who abuse it do not confine the abuse to franking public documents to "friends at home" and speeches—most of which were never made or were made or written by somebody else—to "my constituents." Oh, no ! That government "frank," so it has been credibly asserted, has been used to carry easy chairs, side boards, couches and other household goods which have been "bought cheap"—*some of it too cheap to carry a price tag*—and which "can be used at home." Typewriters, filing cases, office desks, frequently acquired by a process of *benevolent appropriation,* have reached home *without carriage charge.*

That is another case—*another statement of fact.*

But why continue? I could go on for a page or two with *statements of fact,* all evidencing this other *FACT.*

Mother—your mother, my mother—the great tax-paying body of our people—is wronged, is victimized, by our postal service and regulations.

That is my opinion. That opinion is based upon a "broad, general and *comprehensive* view"—a ladder-top view—"of the whole question in its various and varying details," as one *anti*-parcels post spouter has spouted.

I have presented but *four* statements of fact. A score of others

will readily appear to any reader who does his own thinking. But take any one of the four above given and study its significance for just *one minute.*

Have you done so? "Yes?" Well, then you see the joke—or the "joker"—in the *anti*-parcels post talk and literature, do you not? You will also be able to make a close guess as to *who are financially backing* the public-bubbling *opposition* to any legislation for the improvement of our parcels post service. If you cannot, I advise you to go to some jokesmith and have the gaskets and packings on your think-tank tightened up.

John Wanamaker was a great merchant. He was a brainy business man and, to a large extent, did his *own thinking.* He was, for a term of years, Postmaster General of the United States. Mr. Wanamaker was likewise a man of broad, comprehensive and *comprehending* humor. He could crack or take a joke. In either event, the kernel was separated from the shell quickly. Here is one of Mr. Wanamaker's jokes:

Years ago, when Mr. Wanamaker was Postmaster General, John Brisbane Walker asked him why the American people stood for the existing parcels post outrage. Mr. Walker believed the American people were quick, *judgmental* thinkers and *swift* in remedial action when throught reached the conclusion that the *thinker was being victimized.*

Mr. Walker was right—*is* right. American people do think. The trouble is that too many of us are *coupled into train with the wrong kind of thinkers.* We are switched or shunted onto any side-track or yarding the engineer, the conductor or the *traffic manager* desires. We simply *think* we think, while really we are merely following a *steer.* But I digress.

To Mr. Walker's question, Mr. Wanamaker made this reply:

"It is true that parcels could be carried at about *one-twelfth* their present cost by the Postoffice Department, but you do not seem to be aware that there are four *insuperable obstacles* to carrying parcels by the United States Postoffice Department. The first of these is the *Adams Express Company*; the second is the *American Express Company;* the third is the *Wells-Fargo Express Company,* and the fourth, the *Southern Express Company.*"

Of course there are several more "insuperable obstacles" to an improvement in our parcels post service. There is the previously

mentioned "big six" obstacles with the railroads, now as when Mr. Wanamaker spoke, *owning or controlling them all.*

The reader may *know*—no need of *guessing*—that those insuperable obstacles are *stoking* the engines which are "yarding" public opinion—and much honest, but superficial or careless, *private opinion*—where it will yield *unearned* revenues to the stokers. Any man who argues *against* cheapening our parcels post rates is merely a *hired* angler for suckers or a sharer in the spoils which railroad and express raiders are looting from the people.

I recently heard one of those patriotic hired "cappers" talk to his job. Among his forceful points were the following:

"The big express companies employ nearly 100,000 men.

"Their payroll (officials included), is nearly $50,000,000 a year.

"Roosevelt added 99,000 names to the federal pay roll during his seven years in office.

"There are about 70,000 postoffices in the United States and an improved parcels post service would require an additional clerk in each. Therefore 70,000 more tax-eaters would be added to the federal payrolls.

"There was a *deficit* of $6,000,000 piled up in the Postoffice Department last year. To what *appalling* figures would that deficit mount if a parcels post were established?"

Now, I want to ask a few questions.

First, those 100,000 men employed by the big express companies and who are paid the colossal sum of $50,000,000 in salaries. The express companies neither employ so many men nor pay so much money. But if they did, that is an *average* of but $500 a year to each employe. Do you think those 100,000 express men would lose any *killing* amount in annual salary if the government took the whole bunch of them bodily over and put them into a parcels post service?

So much for those alleged 100,000 express company *employes*, concerning whose interests and welfare the *anti*-parcels post bunk-shooter *appears* to have had a pain in his lap or bunions on his mind.

Now, how about the 90,000,000 or more people who make up the rest of us folks in these United States? How would we come out in the ledger account if a good, efficient and *cheap* parcels post service was put into operation and the "big express companies" put out of business?

It is quite impossible to figure it out to the cent. The *public* reports of those big express companies, likewise their system of double cross bookkeeping, prevent us getting nearer than about eight blocks of their "inside information." But some of the *governing facts* we know and others must *necessarily* follow in *any* process or method of reasoning recognized outside the harmless ward of a crazy house.

The stock of express companies is *owned* largely by a comparatively few people—a thousand, possibly five hundred, persons own 90 per cent of this stock. No one at all familiar with express company tangibles, unless he is exercising a loose-screwed veracity, will estimate their *aggregate* tangible values *above* twenty or twenty-five millions. More than that. The present tangible values in these companies *are*, as previously stated, almost wholly *investments from earnings*. So largely, in fact, is that true that *six million dollars* is a *liberal* estimate for the *actual cash capital* at any time invested in actual operation.

These companies paid their owners two to three and a half, or more, millions a year *in dividends*.

Since 1907, the Adams company has paid $480,000 a year on $12,000,000 of bonds. Those twelve million of 4 per cent bonds were *given to the stockholders. Not one cent of actual cash was given in consideration.*

What has that to do with the parcels post question? Simply this:

When the government installs a parcels post service that accepts, carries and *delivers* packages weighing from twelve to twenty or more pounds these *looting express and railroad raiders will go out of business.*

SUBSIDY RAIDERS.

Everybody who has studied the question at all knows that all alleged deficits in the postal service are the malformed progeny of an illegal union between crooked public officials and criminal violators of the law enacted to establish and govern the carriage and delivery of mail matter in these United States. So noticeable has been the closed eyes and "rear view" of government officials while the railroad and express raiders raided and walked off with their loot that petty thieves began to shin up the posts of the Postoffice Department directly or sneak in by way of Congressional legislation.

"What were they after?" Why they wanted a "subsidy" for carrying foreign or ocean mails, or they wanted a "pork" contract—one of those contracts which renders little service for much money.

Did you ever hear of Tahiti? No. It is *not* a breakfast food nor a sure cure for cancers. It is an island. "Where?" Ask the Almighty. I don't know, and I am doubtful whether the Almighty knows or *cares*. I know it is an island somewhere, because a few years ago the postal department entered into a contract with some "tramp" steamer flying a *rag*, which *close* inspection might discover had *once* been the American flag.

The Postoffice Department paid that tramp $45,000 for carrying our mails to Tahiti—*a service that another vessel in the Tahiti trade offered to render for $3,500.*

Can there be any *legitimate* surprise or wonder at a "deficit" resulting from such business methods?

But that, of course, was "a few years ago." Yet, stay! On page 264 of the 1910 report of the Postoffice Department, I find that the Oceanic Line—a line of United States register—carried to and from Tahiti and the Marquesas Islands 7,622 pounds of letters and 159,483 pounds of prints. This was carried under a "contract" and the Oceanic people were paid $46,398 for the service—*for carrying about 88 tons of mail matter.*

Looks like a good "deficit" producer, does it not?

But there is another queer thing about this Tahiti mail contract. Note (1) on page 263, to which the report refers readers, says steamers of United States register *not under contract* are paid 80 cents a pound for carrying letters and 8 cents a pound for carrying prints. Figuring up the Oceanic's service at those rates gives as result only $18,856.24.

So it can readily be seen there is something in a "contract"—some contracts, anyway.

On the same page (264), I find that another ship, one of the Union Line and under foreign register, touches at Tahiti in making New Zealand. It carried 2,713,850 grams (about 5,970 pounds) of letters and 58,926,887 grams (about 129,639 pounds) of prints—within 16 tons the weight the Oceanic people carried—and received only $7,781.54 for the service. These vessels of foreign register are paid about 35 cents a pound for letter weights and 4½ cents for print weight.

Figuring up the weights hurriedly at the named rates, I find that the Union folks were entitled to $7,923.40, or some $142 *more* than was paid them. The Oceanic folks, you will remember, were paid $46,398 when at *open* carriage rates of pay to vessels of United States register they earned only $18,856.24.

Looks a little off color, does it not? But we must remember that Tahiti is an island. Must be an island of vast importance. It requires the shipment of 88 tons of mail matter in a year—a whole year—and our government pays $46,398 haulage on it. Something over 79 of those 88 tons of mail was printed weight, too.

What great printers and publishers those Tahitians and Marquesans must be! Or was that print stuff of United States origin? Catalogues and franked and penalty matter, I wonder?

At any rate there is the "contract" in 1910 as an evidence that some one here is doing, or has done, a little turn toward "burning" postal revenues and helping, in a small way, to keep a postal "deficit" in evidence. A deficit, you know, shows that the revenues of the department are too low, too small, to permit the establishment of an efficient, cheap parcels post, or so the railroad and express raiders would have us think.

The important point, however, is: Are we fools enough to think it? If so, how long shall we continue to be fools enough to think it? If not, is it not about time that we created a disturbance—that we raise some dust—in efforts to let these raiders and their cappers know we are not fools? Why should we continue to act foolish if we are not fools? Please rise, Mr. Sensible Citizen, and answer.

As before said, no one expects nor desires the government to *make money* out of *their* mail service. People have, however, *a right* to expect—*and to demand*—that their regularly chosen representatives and other government officials *prevent* a lot of raiders, or any one else for that matter, from making more than a *fair, legitimate profit* on what they do for or contribute to that service.

There has been much talk the last three or four years about the economies effected by the Postoffice Department in the execution of the work it was established to do. How much of this talk is grounded on fact and how much of it is mere political gargle and party and administration "fan"-talk I shall not here attempt to say. Time has

not permitted me to look into these averred economies carefully and thoroughly enough to warrant positive statements from me anent them here. I am inclined to believe, however, that the present Postmaster General, Mr. Hitchcock, and his immediate predecessors, Mr. Meyer and Mr. Cortelyou, have really accomplished a little in the right direction—a little, where the Lord knows we *should* know there was much to accomplish. But, as stated, my favorable opinion is not based on what I have dug up myself about these economies alleged to have been effected in the recently passed years. If they have been effected, their accomplishment only goes to prove that advocates of a cheap parcels post in this country have been *right* in their facts and arguments, and also that their exposures and severe condemnation of the waste, extravagance, grafting and *stealing* in the postal service were timely and well deserved.

Something, however, has, I think, been done. The exposure of criminal crookedness, grafting, waste and thievery which existed in the department—with administrative employes, officers, Congressmen and Senators, either directly or collusively connected with it—was bound to wipe some leaking joints in the service. The exposures uncovered so much porch-climbing and so much nastiness that most decent citizens were holding their noses and thinking of buying a gun. Something *had* to be done. The noise and injured-innocence "holler," which railroad and express company raiders are vocalizing and printing, is pretty good evidence not only that some little has been done to them, but also that they fear more is going to be done to jam the gear or otherwise interfere with the smooth running of some one or more of their high-speed, noiseless-action cream separators. And more will be done if the people keep on the mat and keep swinging for the jaw and plexus. But it is not all done yet. The raiders may be squealing and squirming a little. They always do when a little hurt. But they are still busy—still actively after the cream. They may spar a little for time, but they will use the time actively in figuring out a new entrance into the people's milk house.

And these raiders will find a way to get in, too, if the people pull up the blankets and let themselves be talked and foozled to sleep.

TOUTING FOR "FAST MAIL."

There appears to be much talk about "fast mail" service. Of

course if the railways are already running at a destructive loss on mail weight and space-rental pay—which they are not—why they will want more pay if they furnish a fast mail service. The postal authorities (official) seem to think that a "fast mail" is a thing altogether lovely and much to be desired. The railroad carriers are of like mind, but—well, such service costs more money. They want more money. A fast mail is just the thing the people want and need! It will push the corn crop ahead and keep the frost off the peaches!

For these and other equally *easy* reasons it is sought to steer the people into making a scream for a "fast mail" service. They want and need their mail in a hurry. The quicker the better. In fact, from the way some people are already talking, it would appear they want their mail delivered about twenty-four hours before it starts in their direction.

If the cream-skimming raiders and their "public servant" assistants can only get the people to talking for a "fast mail" service, why a fast mail we will have, and we will *pay the raiders for furnishing it.*

How will we pay them?

Oh, that is easy. Bonuses and subsidies are popular fashions in federal legislative society. Likewise they appear to be popular in postoffice circles. They are seasonable the year around and are cut to fit any figure. They don't stand the wash very well, but—well, don't wash them. The raiders and their official valets always keep them brushed up and vacuum cleaned. Just pay for them is all the people have to do.

I recall a serviceable subsidized fast mail gown which was handed to a railroad between Kansas City, Mo., and Newton, Kan., some years since. It was neatly boxed and delivered by the handlers of postoffice appropriations. It was worth $25,000 a year to the road that got it.

"Of what use was it to the people?"

None whatever. The fast train it was made to drape was put on the line named for the sole service and benefit of two Kansas City newspapers. It swished those papers (their midnight editions), into Western Kansas, Oklahoma and Northern Texas ahead of the appearance of local morning issues.

I recall another "fast mail" bonus. It was $190,000 and went

to the Southern Railway for a fast train out of New York for New Orleans. It left New York about 4 a. m. and *carried little or no mail for delivery north of Charlotte, N. C.*

It arrived in New Orleans, if I remember rightly, along about 2 a. m. the next day—*too late for delivery of any mail before the opening of the day's business*—9 or 10 o'clock in the morning.

But the regular mail train, as was shown in the debate in the Senate, left New York at about 2. a. m. and arrived in New Orleans about 4:30 a. m.—two hours after the so-called "fast mail"—in ample time for deliveries when the business of the city opened.

Fine business that, is it not? Well, yes, for the *Southern Railway.*

The reader, however, should be able to recognize it as a regular 60 H. P., six-cylinder, rubber-tired "*deficit*" producer. Especially will he so recognize it if he thinks of it in connection with this other fact:

That same year, the Southern Railway was paid, in addition to the $190,000 "fast mail" subsidy mentioned, *over one million dollars at the regular weight rates for hauling the mails!*

There are numerous others of equal beauty and effectiveness in design. As previously stated, however, subsidies and bonuses are all carefully designed and cut to fit any figure. All we wise, "easy" people need do is to make a little noise for a "fast mail" service and Congress will hand it out.

The railroad raiders can easily justify their demands for subsidies for a fast mail service with people who have given little or no study to this mail-carrying question. Our Postoffice Department furnishes the raiders about all the argument that is needed. One of the raiders has been quoted as saying: "We could carry the mails at one-half cent per ton mile, if the Postoffice Department would allow us to handle it in our own way."

There you are. The department will not let these raiders help the people *save their own money.* Very generous. Much like a burglar calling on you the day before in order to tell you how to prevent him from cracking your safe.

But the beauty of that railroader's statement lies in the fact that it states a fact; not one of these glittering, rhetorical facts, but a real *de facto fact.*

The rules and regulations of the Postoffice Department for the

carriage of mails in postoffice cars are such as furnish ample grounds and warrant for the railway official's statement.

Postoffice cars are from 40 to 50 or more feet in length and weigh, empty, from 50,000 to 110,000 pounds. The department then has fixtures and handling equipment put in. This equipment occupies about two-thirds of the floor space of the car, and, with the four to twelve railway mail clerks also put into it, weighs from 10 to 15 or more tons. The railroad is paid for carrying all this bulky, space-occupying equipment at the regular mail-weight pay rates.

And how much real mail does the department get into these postoffice cars?

Well, some years since Professor Adams, after a most careful and extended investigation, placed the average weight of mail actually carried at two tons. He pointed out, however, that the mail load could easily go to three and a half tons and referred to the Pennsylvania road which, in its special mail trains, loaded as high as six tons. He also stated that if the load were increased to five tons, the cost of carriage would be *reduced more than one-half*, and he made it very clear that his figures were easily inside the service possibilities.

In view of such evidence and testimony from Professor Adams, and of other men to much the same effect, the department may possibly have increased the mail load since 1907 to three or maybe to three and a half tons.

Even so, it is still evident that the railroad must haul from 70,000 to 140,000 pounds of car and equipment to carry 6,000 to 7,000 pounds of mail; thirty-five to seventy tons of dead load to carry three to three and a half tons of live—of service—load. Do not forget that, so far as the railroads pay is concerned, the equipment is live weight—*paid weight.* So, the railroads get paid for a load of fifteen to eighteen and a half tons, while they carry only three to three and a half tons of mail—for carrying, according to Professor Adams's figures in 1907, only two tons of mail.

As a deficit-producer that should rank high. As an evidence that our Postoffice Department is run on economic lines, that mail car tonnage load is nearly conclusive enough to convince the residents of almost any harmless ward.

Speaking seriously, the department's methods of mail-loading the postoffice car—methods which put from two to three and a half

tons into cars that should carry six to ten tons—furnishes the carriage-raiders an excellent basis for their talks to the people to the effect that the roads are not getting sufficient pay for carrying the mails now, and if they (the people) want better or faster service the roads must be paid more money, either as bonuses or subsidies. In fact, the railroad people have been holding up this nonsensical—or collusive—practice of the department for years as basis for their demands for more pay for hauling the government mails. As proof of this statement, take the testimony of Mr. Julius Kruttschnitt before the Wolcott Commission, I think it was. Mr. Kruttschnitt was then (1901) Fourth Vice-President of the Southern Pacific. In reply to the Commission's inquiry as to whether or not the mails could be profitably carried over the New Orleans-San Francisco routes at a half cent a pound ($10.00 per ton or for $100 to $200 per car if reasonably loaded), Mr. Kruttschnitt is reported to have answered in part that "at half a cent a pound the mileage rate for 442 miles is 2.3 cents. Statement G," he continued, "shows that to carry one ton of mail we carry nineteen tons of *dead weight*, so that for hauling twenty tons we get 2 cents or a little over one-tenth of a cent a gross ton mile."

All very forceful and conclusive, if it were true, which it is not. It is true, however, that Mr. Kruttschnitt was making good argumentative use of the ridiculously low loading of cars under the regulations of the department. That is all. If the postoffice car used on Mr. Kruttschnitt's road was a 50-foot car and weighed, say, 100,000 pounds, that and the railway mail clerks constituted the only "dead" weight hauled.

His road got paid for hauling the tons of ridiculously heavy mail-handling equipment and fixtures in that car—got paid for hauling them *both ways*, at the regular mail-weight rates. His road also received over $8,000 a year rental, or "space pay," whichever the rail-raiders desire to call it, for the use of that car for mail haulage.

So, it is really not so bad as Mr. Kruttschnitt apparently would have it appear. In fact, one does not have to look into the matter very closely to see that the Southern Pacific had what might be called a "good thing" in its mail carrying contract.

But what are the railroads really paid for hauling mail tonnage as compared with the rates they receive for hauling other tonnage?

In writing to this phase of the question at the time of the pendency of the Fitzgerald and another bill,—the former requiring that periodical publishers pay $160 and the latter that they pay $80 per ton for mail carriage of their publication—Mr. Atkinson said:

> Let it not be forgotten, that publishers pay the government $20 per ton for their papers; doesn't it seem enough, when the government is so generous toward the railroads that it pays for transporting 1,000 pounds of leather, locks, etc., for every 100 pounds of letters?
>
> * * * * * * * * * * * * * * *
>
> It is no unusual thing for the railroads to haul live hogs from Chicago to Philadelphia, a very inconvenient as well as unpleasant kind of freight. The hogs have to be fed and watered on the way, they cannot be stacked one upon another, so require much space. What do the railroads charge for this service? Is it $160 per ton? No. Is it $80 per ton? No. Is it $20 per ton? No. They do it for $6 per ton, and are glad of the job.

Professor Parsons wrote a volume a few years ago entitled "The Railways, The Trusts and The People." Professor Parsons looked into this ton-mile rate of pay for rail haulage most carefully and gave the results of his investigations in his book, from which I take the tabulated rates following.

In passing, I may say that the professor is recognized by everybody as a most dependable authority—that is, everybody save the railroad and express raiders and their hired men. They have written and talked at great length to "refute" him, which thoughtful and disinterested people take as mighty strong evidence that Professor Parsons presented the truth and the facts, or so nearly the truth and facts that his statements made the "authorized," rake-off patriots turn loose on him their high-powered, chain-tired public bubblers.

Following are the figures which the Professor published as showing the average *ton mile* rates the railroads then received for carrying different kinds of shipments:

	Rate per ton mile, cents.
For carrying express generally	3 to 6
For carrying excess baggage	5 to 6
For carrying commutation passengers	6
For carrying dairy freight, as low as	1
For carrying ordinary freight in l. c. l.	2
For carrying imported goods, N. O. to S. F.	8
For carrying average of all freight	78
For carrying the mails (Adams estimate)	12.5
For carrying the mails (Postoffice Department estimate)	27

THE PARCELS POST.

The Postmaster General in his reports for 1908-9 and 1909-10 recommends a trial or "test" of a parcels post service on several rural routes "to be selected by the Postmaster General."

The Congress now in session is giving, or will give, this recommendation serious consideration, it is presumed. Especially will it be given such serious consideration when the 1911-12 bill, making appropriations for the postal service, is under fire and is being "savagely attached by its friends."

It may be depended upon that the express and railroad gentlemen now shearing a rich fleece from your Uncle's postal fold will not have any *fair* tests made of a parcels post service so long as they can prevent it, and they appear to have numerous representatives in both houses of Congress who can be influenced to prevent it, if their past talk and *votes* may be taken as indicating *what they are there for.*

Of course, the chief clack of the enemy's hired men is "lack of funds." Yet they go on appropriating *millions to people who do not earn it*—to pay for services *not rendered.*

The same kippered tongue lashed the "rural delivery" service the *same* way. In the end, the people won. But they won, in the bill as originally passed, a rural delivery of the "test" variety. "Why?" Well, a properly equipped and serviceable rural delivery would be a step towards a serviceable parcels post and the raiders do not want the people to have such a parcels post.

As samples of the *sort* of "friendly feeling" manifest in Congress toward a parcels post and of the *profound* wisdom carried by some of its alleged friends, I desire to make a quotation or two.

When the measure was first up (1908), Representative Lever of South Carolina introduced the four counties "experimental test" amendment in the House. Following is his opening:

> Every *farmer here present* knows of his *own experience* how much time is taken in *extra* trips to town and city.

Now, that is *real* fetching. Especially before so vast a gathering *of farmers* as heard it!

But a Missouri "farmer" present wanted to be shown. So he fired a question at Mr. Lever. The farmer from Missouri wears the

name of Caulfield. He likewise wears an abiding *distrust* of the parcels post. Following is his question:

> Is it not a *fact* that the *great mail order houses* of the country are the ones who are *really* in favor of the parcels post?

There is real intellectual magneto and lamp equipment for you. Note, too, the *shrewdness* of this Missouri "farmer" in wording his question—the mail order houses may not be the *only* ones who favor the parcels post, but they are about the only ones who "*really favor*" it!

Well, there are over 40,000,000 residents of the country—villages and towns in this country—among them, too, are twenty millions of *real* farmers. These are pretty firmly of opinion that *they* "are really in favor of the parcels post." There are, also, not *less* than 30,000,000 *more* residents of incorporated cities, small and large, who at least *think* they favor a parcels post service which will permit "mother" to send a pair of pants to her boy ten miles away as *cheaply* as the laird of Skibo Castle, Scotland, can send two pairs of kilts to a son of his friend's Aunt Billy who lives in Los Angeles, California.

Of course, the people may only *think* they think and are sitting up nights with the windows open and their ears spread to hear *their* representatives tell 'em they are wrong. If so, Mr. Caulfield and Mr. Lever will probably hear from them. It takes the people some time to recognize or properly to appreciate how wise some of their representatives are—what a *vast* amount of charges-prepaid wisdom they have. But the people finally catch on and then—well, then there will not be so many "farmers" of the Mr. Lever variety in Congress.

But I want to give Mr. Lever another show. He's entitled to it "under the rules." He should have several of them—not to show his profound knowledge of the value and *dangers* of an efficient, *cheap* parcels post, but to show that a man need not spend a cent in Congress to advertise the fact that he is a "practical politician." All he needs do is make a few *hired* or *ignorant* remarks on some subject *about which the people of the country have been thinking.*

Here is Mr. Lever's answer to Mr. Caulfield's question, as previously quoted:

> The wisdom of *discriminating in favor of the local merchant* must be apparent to *any one* who regards, for a moment, the *danger* involved in a system (parcels post) which would *inevitably centralize* the *commerce of the country.*

Now, candidly, how *could* a "friend" of a parcels post service show his friendship more *nicely* than that? Especially if he is a "farmer?" Or even if he is not, and merely *desires* the farmers to *think* he is their friend?

Why, Mr. Lever has Mr. Caulfield shoved clear over the ropes in that answer. Mr. Caulfield, of Missouri, may have full magneto and lamp equipment, but Mr. Lever, when it comes to a *friendly*, high-speed spurt for a parcels post service, shows *all* the latest improvements. No, sirs, Mr. Lever is not merely a last year's model. He's *bang* up-to-date—axles, drawn steel; forged crank shaft with eight cams integral; continuous bearings and bearings all ground; two water-cooled, four-cylinder motors with *sliding* gear; "built-in" steel frame, and running on a "wheel-base" of 106 inches. Mr. Lever shows all the other "latest," *necessarily* belonging to the "best seller" class among late models.

However, I have probably mentioned enough to make it clear to my readers, if *not to his constituents*, that Mr. Lever is fully equipped to *act* the part of the farmer's "friend," a friend of the parcels post, or of any other old thing. Some may think he carries a little too much weight for a good hill-climber. It should be remembered, however, that some sorts of "friends" do not climb hills. They skip around the hills and get what *they* are after while we are climbing. When farmers and others of our producing classes wise-up to the brand of vocal friendship I am "insinuatin' about," such representatives as Mr. Lever will *last* about as long as it would take a one-armed, wooden-legged man to fall off the top of the Flat Iron Building flag-pole.

PARCELS POST "TESTS."

It may as well be said here as elsewhere that such "tests" of the feasibility and desirability of a good parcels post service as Mr. Hitchcock proposes to make are but procrastinating foolery. Great Britain and every continental country of Europe has an efficient parcels post service in operation.

Postmaster Generals and railroad and express company raiders know that. The countries indicated have made all the "tests" we need have of people-serving parcels post, and every one of them derive more or less revenue from that service, there being no deficits.

Postmaster Generals and our railroad and express company raiders know all that. So, also, do our Senators and Congressmen know that. Even alleged "farmer" Congressmen know it.

Our public servants know even more than that. They know that under the International Postal Union agreements our government has entered into, our postal service to-day handles these foreign countries' parcels, of either United States or of foreign origin, weighing up to eleven pounds. They also know our own postal service now won't permit our own people to send by mail, packages weighing more than four pounds. They also know that for carrying a four-pound parcel by his own mail service the American must pay 64 cents if the parcel is for delivery in any of the foreign countries covered by Postal Union agreement,* but if sent by some one in any of those countries for delivery in this, the sender may make up a parcel weighing as much as eleven pounds and for its delivery will have to pay only 48 cents.

I say that our mail carriers and public officials know these things. The facts as stated must be known of the Postal Union agreements. On request, the Postoffice Department does not hesitate to give this information to anyone. The following is a paragraph taken from a department communication. It was sent in response to a request made by Mr. Alfred L. Sewell, who wrote a most informative communication that appeared in the Chicago Daily News of date November 6, 1911. I take the quotation from Mr. Sewell's article.

Mailable merchandise may be sent by parcels post to Bahamas, Barbadoes, Brazil, Bermuda, Bolivia, Danish West Indies (St. Croix, St. John, St. Thomas), Colombia, Ecuador, British Guiana, Costa Rica, Guatemala, British Honduras, Republic of Honduras, Haiti, Jamaica (including Turk islands and Caracas), Leeward Islands, Windward Islands, Mexico, Newfoundland, Nicaragua, Peru, Salvador, Trinidad, Tobago, Uruguay, Venezuela, in the western hemisphere, and to Australia, Japan and Hongkong in the east, and to Austria, Belgium, Denmark, France, Germany, Great Britain, Hungary, Italy, the Netherlands, Norway and Sweden in Europe. The postage rate is uniform at 12 cents a pound, or fraction of a pound. A parcel must not weigh more than eleven pounds, nor measure more than three feet and six inches in length, or six feet in length and girth combined.

Then why prattle about a "test" as to the desirability and practicability of a good, cheap parcels post service in this country; one that will serve our own people?

* By latest Postal Union agreements, 12 cents a pound, instead of 16 cents a pound (maximum limit 4 pounds) for United States delivery.

Especially why prattle about such a parcels post service on a few selected rural routes? It is not only foolishly silly, but it looks suggestively wrong—as if there was some ulterior motive back of any suggestion of such a test. "Why?"

Well, if such test is made under regulations suggested by the Postmaster General, the only parcels that service, or "test" service, is designed to carry, are such as originate on a selected rural route and are for delivery on the same route or on a route immediately connected with it. That is, as I understand Mr. Hitchcock's recommended regulations, any farmer or villager along the selected "test" rural route may send a package (weight and rate of carriage yet to be decided upon) to any other farmer or villager on the same route or connected route, or to a resident of the town or city at which such route originates or starts.

If such a farce can be seriously thought of as a "test" of what use and economic value a nation-wide parcels post service would be to our people, even to the people residing on the test routes, it will take some graduate of a foolery school or foreman in a joke foundry to so think of it.

Let's see. A farmer may send a jar of butter, box of eggs, crate of fruit or vegetables, etc., to the village storekeeper and get his pay for the consignment, "in trade" usually. By writing the storekeeper an order, postal card or letter, the farmer may get on the next round of the carrier what he desires. That is, he will get what he has asked for if the storekeeper has it in stock. The farmer, or the farmer's wife, may do the same thing in the event that the consignment of their products, presuming that the "regulations" will permit the carrier to handle perishable goods, goes no farther away than the county seat or other town or city from which the rural route starts. They can also send such parcels to any railroad station on the route for shipment to any more distant point. In such case, however, the farmer must pay an express carriage charge from the local railroad station to the destination of his shipment.

But enough of this local application of the proposed "test" regulations. It will readily be seen that if the farmer or villager on a selected test route desires to send a parcel, not above the regulation weight—whatever that may be—to any point not on the same route, he will have an express charge to pay—whatever that charge may be.

And if he orders something, inside the regulation weight, from some factory or city not on his carrier's route, he must also pay an express charge for its carriage to his local railroad station. If he wants the article or goods delivered at his home by the rural carrier, he must pay an additional charge—the postal carriage charge, whatever that may be.

As a "test" of the service value of a parcels post, could anything be more absurd? If so, it would be difficult to frame it up. Such a "test," however, will still leave the raiding express companies in position to hold up the selected "home circle," rural-route residents on all shipments, which go to or come from any city or point outside the home circle—and that is about what, if not just what,the proposed "test" is designed or intended to do, or so it appears from the ladder top.

In this connection it should be noted that the rural-route delivery enactment, or the department regulations under which it was to be applied, carried an express protecting "joker." If not, why was the rural route carrier required to furnish a cart or other carrying vehicle of only twenty-five pounds capacity? Was it valid for ulterior reasons which named so small a weight? Would it have cost the government any more money for rural carrier service if a maximum weight of 500, or even of 1,000 pounds, had been named for the carrying vehicle?

The reader may answer. To The Man on the Ladder, though, that 25-pound requirement looks to be of doubtful mail-service value, if, indeed, not suspiciously queer.

It was carefully figured in 1900 that our rural, or non-railroad, communities alone lost $90,000,000 a year in excessive express charges and delays in delivery by reason of the *criminal* apathy of their government in the matter of furnishing even a *reasonably* adequate domestic parcels post service, such, for instance, as that furnished by the German government. The German government carries an 11-pound package anywhere in the German empire or in Austria-Hungary *for 12 cents.*

To aid the reader, I give, following, a table covering the data essential to a fair understanding both of the excessive pay for a service which our government should render for a *tenth* of the money and, also, of *why* our express service is inconvenient—is *wasteful and expensive*—by reason of the *distance* the express offices are from

the people ordering. This last is clearly shown by comparing their *number* with the larger number of postoffices in the several states named.

THE WORM UNCOVERED.

STATE.	No of express offices.	No. of post-offices.	Average express charge.	Amount saved by parcel post at 12c.	English merchants' advantage at 48c.	German merchants' advantage at 58c.	Mexican merchants' advantage at 66c.
Alabama	334	2,445	$ 1 33	$1.21	$0.85	$0.75	$0.67
Arizona	41	202	3.89	3.77	3.41	3.31	3.23
Arkansas	262	1,880	1.66	1.54	1 18	1 08	1.00
California	586	1,659	3.16	3.04	2.68	2.58	2.50
Connecticut	108	511	.61	.49	.13	.03	....
Georgia	451	2,657	1.33	1.21	.85	.75	.67
Illinois	1,495	2,622	1.09	.97	.61	.51	.43
Kentucky	471	2,892	1.22	1.10	.74	.64	.56
Maine	248	1,254	.61	49	.13	.03	....
Michigan	737	2,161	1.22	1.10	.74	.64	.56
New York	1,309	3,735	.61	.49	.13	.03	....
Ohio	1,362	3,398	1.09	.97	.61	.51	.43
Oklahoma	30	576	2.10	2.07	1.62	1.52	1.53
Pennsylvania	919	5,206	.61	.49	.13	.03	....
Rhode Island	90	153	.61	.49	.13	.03	....
South Dakota	229	639	2.67	2.55	2.19	2.09	2.01
Texas	662	2,968	2.19	2.07	1.61	1.61	1.53
Virginia	263	3,468	1.22	1.10	.74	.64	.56
Whole country	20,155	60,000					

Had I the space at command I would print the figures for the whole United States. However, it will be seen that the states I have taken are fairly representative of the whole country—the populous with the sparsely settled.

The figures as to number of express and postoffices are from the United States census for 1900.* The estimates are made on the parcel weight of 11 pounds. Eleven pounds is the English *domestic* parcels weight that is carried anywhere in the United Kingdom for 24 cents or, by international postal agreement, to any point in this country for 48 cents. In passing, it might be noted that for the year 1900 the

*Postoffices, 1910.

British postoffice turned into its national treasury over $18,000,000 *profit.* It might also be well to notice that English merchants *imported* nearly five and a half million dollars value by parcels post and *exported nearly twenty and a half million dollars of value by means of the same service.*

But to get back to our 11-pound parcel.

Germany carries it anywhere in her empire or in Austria-Hungary for 12 cents.

Switzerland carries it for *eight cents*, and several other countries *are now trying to reach the German weight-rate for domestic delivery.*

So we will take as our package of *eleven pounds* and figure its delivery at any postoffice in the United States for *twelve cents.*

One more point about this table.

The reader must keep in mind that we now deliver packages up to eleven pounds from any person—merchant, manufacturer or other—living in England, Germany or Mexico. It is delivered for the English shipper (*by our mails*) to any United States postoffice for 48 *cents*; for the German shipper for 58 cents or for the Mexican shipper for 66 cents.

The *three right-hand* columns of the table show how much *cheaper* the English, German or Mexican merchant, or other shipper, can have his eleven pounds of merchandise carried to Rabbit Hash, Ky., Springtown, Mo., Gold Button, Cal.—*to any postoffice in the United States*—than the New York merchant can send his 11-pound parcel to the *express office* "nearest" the customer ordering.

The express charges given are the *carefully figured averages* for the states named for carriage from New York City. The third column gives the *average* express charge (at rates ruling in 1900) from New York City to the states named. The fourth column gives the *savings* to the purchaser—the merchant or the consumer—if the 11-pound parcel were carried, as it should be carried, in the mails for 12 cents. The first two columns give the number of express offices and postoffices in the several states named and are intended as *conclusive* proof that *millions* of our people are much nearer to a post-office than to an express office.

With this preliminary, let us now comment on the table. Don't side-step it because it's figures—unless, of course, you're some *hired man* of the express or railroad companies.

The total of express companies in the footing is that given in the census report for 1900. There are probably several hundred more now. The corresponding total given for the number of postoffices is correct for July 1, 1910. There are fewer postoffices now than in 1900, the establishment of rural route delivery having reduced the number greatly. The reader must keep in mind that the figures named in headings of the three right-hand columns cover a "delivery" charge in addition to the home-rate mailing rate for the countries named. This delivery charge was covered in the international agreements:

If the reader will study that table a little he will learn several things.

If we have one hundred millions of people in this country, there is an express office for about each 5,000 of them, while there is a *postoffice* for about each 1,636 of them.

There is an *express* office to about every 175 *square miles of our territory*, while there is a *postoffice* for about each 60 square miles of our territory.

The reader will have no trouble to see by the table that, if he ordered an 11-pound lot of hose and shirts or phonograph records, photograph films or other goods from New York City for delivery in Chicago, he would get the goods by a properly served parcels post for just 97 cents *less carriage charge* than he now pays the express companies. If he live in Los Angeles, Cal., he would get the goods from New York for $3.04 less. Even if he lived in Buffalo, N. Y., he would get those eleven pounds of goods from the metropolis of his state for *48 cents less than he now pays the express companies.*

Be sure, however, to notice those three right-hand columns.

You will observe that the Right Honorable John Bovine, an exporting merchant of London—or a *manufacturer*, if you please, of Manchester or Leeds, England—can send that 11-pound package to you in Chicago, Hot Springs, Fargo or elsewhere in the United States—*send it by mail*, which no American merchant or manufacturer can do—at from 90 cents to $3.00 *less carriage cost* than the New York merchant can send it to you by express—*the only means our present laws and methods permit him to use.*

Baron Von Stopper, an exporter of Berlin, likewise has a large advantage over the New York merchant in supplying your *parcel* demands. Even Senor Greaser of the City of Mexico, can ship—

by mail—eleven pounds of kippered tamales or sombreros to any point in the country, save ten states within shorthaul range of New York City, and have an *edge* of 30 cents to $3.23 over his New York City competitor in supplying your *parcel order wants.*

Great, is it not? Fine system, is it not, to "protect *home industries?*" To build up "foreign trade?"

But, it is not quite so bad as it looks for the very reason that our "postal agreements" recognize the "tariff wall" that is built around *certain* "infants" in this country. Your goods from England, Germany or Mexico must be of our "*free* list" kind, otherwise they must pay a rake-off to the government. As that is pretty stiff, *you* don't order many parcels from abroad. You buy home products—*thus paying the tariff rake-off to the protected "infant," instead of the Government.*

Does it not appear that we American citizens are an easily "worked" bunch?

In connection with the tabulation just presented, should be noted the fact that *millions* of our people live in non-railroad communities—live, often, *many miles from any express office*, while a postoffice may be near. If these people have pressing need for any article of merchandise weighing over four pounds it cannot reach them, under existing law, by mail. *They must order it sent by express and make the long drive to the nearest express office to get it.*

The article may be one needed for the health of the family or it may be a rod, a gear wheel or other part of some machine that has broken in a critical hour of need—*any one of a hundred needs*, delay in supplying which *costs money.*

It was carefully figured in 1900 that our rural, non-railroad communities alone lost $90,000,000 *a year* in excessive express charges and delays in delivery by reason of the peculiar if not studied apathy of their government in the matter of furnishing even a *reasonably* adequate domestic parcels post service.

The hypothetical rate (1 cent a pound or $20.00 per ton), for parcels carriage and delivery by post is low—maybe a little too low. If so, it is only a very little, *if it is figured to have the rate cover only the actual cost of the service.* A nation-wide parcels post service, if properly organized and directed, would, it must be remembered, handle all the short as well as the long haul business. It would not,

as now, permit a collusive raiding arrangement between the railroads and the express companies by which the latter get most of the short-haul shipments and leave most of the long-haul parcels to be handled by the mail service.

I see by a local press item, that the Senate Committee on Post-offices and Postroads is going to propose in the bill it is drafting that parcels of eleven pounds in weight be carried by the mail service for 50 cents—10 cents for the first pound and 4 cents for each additional pound or fraction thereof, up to the maximum of 11 pounds. Of course, a rate of 50 cents for the carriage of 11-pound parcels would be a great betterment over the present rate and weight regulations. But a rate of 50 cents for an 11-pound package is away too high, figuring on short and long haul parcels, unless it is intended to make the service a revenue producer, which it should not be. The committee, I gather from the news item, has recognized the fact that a 50-cent rate is too high on short-haul matter and are considering the recommendation of a lower rate for it—a distance scale or schedule of rates. It is to be hoped that, if the proposed bill becomes law, it will carry such a provision.

It is said the committee decided upon the weight and rate limits after an "exhaustive investigation of all the parcels post systems of the world," and it was pointed out that this investigation disclosed the fact that only "five powers" reported deficits in their postal services in 1909—Luxemburg, Chili, Greece, Mexico and Austria—the deficits ranging from $7,437 in Luxemburg to $1,693,157 in Austria. Of these, it will be noted, all save Austria are small or only partially developed countries. None of them have rail or other transportation facilities at all comparable to those of this country. Yet our government, with its excessive parcels rate and ridiculously low maximum weight limit on parcels reported a deficit of $17,441,-719.82 in its postal revenues for 1908-9, and $6,000,000 in 1910.

Whatever the action that may be taken by the present or a future Congress looking to the betterment and to a cheapening of the nation's parcels post service, one thing must be done if such action be made effective—if it yield the results it is alleged are expected of it. Such action must carry provisions that will effectively break up the present collusive understandings and arrangements between the railroads and the express company interests, which arrangement

has for years been raiding the postal revenues on the one hand and, by greatly excessive rail and express rates for carrying parcel freight, has been looting the people on the other.

This can be—and should be—done. There are two actions which may be taken by the government, either of which I believe would accomplish that most desirable and necessary result.

On previous pages (pages 227 and 228), will be found quoted a section of the law of 1845—a law for the establishing and regulation of the government mail service. On the pages 256-257 will be found a most instructive discussion of the law by Mr. Allan L. Benson. Turn back and read those pages. Mr. Benson is always worth a second reading.

That it was the intention of the legislators of that time to make the carriage, handling and delivery of letters and "packets" (small parcels or packages of any sort of mailable matter), a government monopoly, there can be no valid reason to doubt. That the express companies have operated and are operating in violation of Section 181 of that law, there can be no valid reason to doubt. That Section 181 of the enactment of 1845 is good, sound law today, there can be no valid reason to doubt. That the express companies have operated, and continue to operate, in violation of that law—in open defiance of it—and are therefore engaged in a *criminal* traffic, there can be no valid reason to doubt.

True, they have a very peculiar court decision to protect them in their violation of that law. I call it a "peculiar" decision. A more fitting term might be used in describing that court decision, and the use of such a term would be fully justified.

One of the two actions which Congress might take would be to amend Section 181 of its Revised Statutes so that even a yokel, as well as a Federal Judge, may clearly see that the carriage of *packages and parcels*, as well as of "packets," which do not exceed the maximum regulation weight and are of mailable class and kind, is "intended" to be the *exclusive privilege of the government.*

Such an amendment to the law would force the express companies out of business.

The other action which could be effectively taken would be to make the parcels post rate so low and the maximum weight of parcels so liberally high that the railroads and express raiders would quit of

their own accord, which they would do as soon as their present tonnage of loot is seriously cut down. Nothing would cut into that lootage deeper or quicker than would a service rated and weighted parcels post.

I have been severe in my strictures and condemnation of the express and railway raiders. In evidence that my condemnation is deserved I desire to quote two or three people—people who have made a careful, painstaking study of the game these raiders have played, and yet play, and of the practices and tricks which make it a "sure thing" for the high-finance gentlemen who play it.

Mr. Albert W. Atwood wrote a series of three most informative articles for the American Magazine under the caption, "The Great Express Monopoly." They appeared in the American in its issues for February, March and April, 1911. I trust the publishers will not take unkindly my quoting Mr. Atwood. He presents some facts which so conclusively evidence several points that I cannot resist the appeal they make for quotation.

In evidencing the fact that the railroads own and control the express companies and also showing how that ownership and control was obtained and is maintained, Mr. Atwood writes as follows:

It has frequently been asserted by merchants and shippers that the stock issues of the express companies are merely a device to make possible the exaction of unreasonable charges. Perhaps the most direct case in point is that of the Pacific Express Company, organized in 1879 to do business on the Union Pacific and Gould Railroads. Before the Indiana Railroad Commission John A. Brewster, auditor of the company, recently testified that there were twelve stockholders and $6,000,000 of stock. On pages 784-785 of the record there appears this colloquy:

Q. What did you do with that stock, Mr. Witness?

A. The capital stock was given to the Wabash, Union Pacific, and Missouri Pacific for the rights, franchises.

Q. For what rights?

A. Franchises and rights to do business.

Q. We begin to understand it; it wasn't understood before that; nothing was received by the Pacific Express Company for the issue of this $6,000,000 of stock? Do these railroad companies own the stock?

A. Yes, sir.

Q. These twelve stockholders are the railroads. The railroads get these 6 per cent dividends on the stock?

A. Yes, sir.

Before another State Railroad Commission an officer of the company stated that

so far as he knew and so far as the records show no cash was received for the $6,000,000 stock. The Illinois Railroad and Warehouse Commission has decided this stock was issued in fact and in law without consideration. Ostensibly the stock was issued by the express company in exchange for the right to do business over the lines of the railroads, but all the express companies pay a fixed percentage of their gross receipts, ranging from 40 to 57½ per cent, to the railroads over which they operate.

On the question as to whether express companies operate at a profit or not, Mr. Atwood writes as follows of this same Pacific organization:

Whatever legal view we may take of this curious stock issue, there is no room for doubting that it has served as a device for the extortion of money from the shipping public, for express charges are made high enough to more than pay dividends on the stock. Starting in business with no capital except such as may have been temporarily loaned to it by the railroads in control, the Pacific Express Company has paid dividends of $8,334,000 in twenty years and in addition has been paying to the railroads, which owned all its stock, about 50 per cent of its gross receipts of more than $7,000,000 a year. A large block of the stock recently changed hands at $200 a share, and yet we have seen how it was issued without consideration in cash or property. Indeed it is said the company operated for eight years before the stock was issued at all.

In speaking to the same point as applied to the United States Express Company, Mr. Atwood calls attention to the fact that 55 per cent of its "stockholders" have entered suit to wind up the company's affairs on charges of mismanagement by its dominating officers. Mr. Atwood further writes:

Although the gravest of charges of mismanagement and waste of assets have repeatedly been made against the directors of the United States Express Company, a profit of almost 15 per cent was earned by the company on the capital invested in the express business in the year 1909. This profit would have been still greater had general trade been normal, and had there not been a hiatus between the loss of one large contract and the securing of another. That the stockholders have not received all the profits proves nothing. Millions have gone into unnecessary real estate investment and large salaries have been paid, but earnings on the capital actually invested have clearly shown that even under a management whose good faith and ability is being challenged in the courts there is an ample return.

As long ago as 1875 a writer in Harper's Magazine said the express business had already created fifty millionaires, a statement which does not tax the credulity of anyone who casts a glance at the dividend record of these companies. To use the calmly judicial words of the Census Bureau: "In no other business is it probable that so little money, comparatively, is invested where the gross receipts are so large." We have seen that new capital is not a necessity of the express

business. Unlike the railroads, new security issues to raise capital are never sold to the investing public.

The cappers for railroad and express interests, keep the atmosphere agitated with talk about the "uncertainty and irregularity" of the quantity of express matter to be carried, "the excessive taxes paid," etc. In answer to such bubble, Mr. Atwood has this to say:

While this may be theoretically true, the experience of years has shown that the patronage of these companies has been fairly regular, remunerative and growing. Not only will a study of the gross receipts prove this contention, but further confirmation will be found in the remarkable series of excessive dividends. "We do not feel that any extravagant return should be permitted upon the business of these companies," said the Interstate Commerce Commission in Kinde *v.* Adams *et al.*, "for it involves none of the elements which entitle an investment to a high return."

When the Adams Express Company enriched its shareholders with a 200 per cent extra dividend in 1907, stress was laid upon the increase in taxation throughout the country. How ridiculous this is can be seen from the fact that the Adams Company paid only $145,184 in taxes in the entire fiscal year of 1909, and $202,234 in 1910, although its extra dividend alone amounted to $24,000,000. Profits on stock and bond speculation amounted to $418,979 in the year 1909, and $1,943,889 in 1910. The American Express Company, with its huge resources, paid but $283,951 in taxes in 1909. In the same year the volume of its banking business alone amounted to more than $250,000,000. In at least one important state, the express companies paid no taxes until a few years ago and in Indiana the companies had the audacity to tell the Tax Commissioner that they had little or no tangible property in that state. When Congress voted to put a tax of two cents on every express transaction to raise revenue for the Spanish War the companies made the shipper pay, and when the shippers objected fought the case to the highest courts.

At this point the question naturally arises as to how the express companies have been able to carry on for so many years such a perfect system of extracting money from the public without being seriously molested. The answer involves a knowledge of the relations existing between the railroads and the express companies, and a knowledge of the complete monopoly which exists in the express business—a monopoly made possible only because of these very relations.

In Pearson's Magazine appeared two forcefully written articles by Mr. Allen L. Benson on the parcels post. The articles appeared in Pearson's in February and March, 1911. In his February opening and closing Mr. Benson says some things to us and says them with a kindly bluntness which we should appreciate:

Is it a pleasure to you to be treated as if you were a fool? Do you never tire of acting like an organ-grinder's begging monkey?

These questions are put to you in good faith. I have no desire to insult

you. I know you are not a fool. I know you don't like to beg. Yet here you are again, with your little red cap on and your little tin cup out, begging for a parcels post. Begging from those whom you should order. And the gentlemen from whom you beg treat you as if you were a fool.

Perhaps you believe these statements are not so. I shall soon show you that they are so. But before we go down this interesting parcels-post road, let us hang a lantern to the wagon-tongue. You will understand the scenery better if you see it by the light of this particular lantern. Here it is:

Bad government is largely made possible by the mistaken opinions held toward each other by the governing classes and the governed. By "governing classes" I don't mean Presidents and Congresses. I mean the great capitalist interests that make Presidents and Congresses. The governing classes underestimate the intelligence of the people. That is why the governing classes are always in process of yielding something to the people. Depending upon the stupidity of the people, gross wrongs are inflicted that are righted only under force, inch by inch.

The people, on the other hand, have too exalted an opinion of both the intelligence and the patriotism of those who control the government. They have no good opinion of the patriotic impulses of the great capitalists, but they fail to note that the great capitalists are the National government. Mr. Morgan in Wall street they recognize. But Mr. Morgan in Washington, disguised as Uncle Sam, they do not recognize. Therefore they behold him with a certain veneration. They have been taught, since childhood, to look up to Uncle Sam as to a father. He is the government in breeches. The people do not always agree with the men who govern them, but they always agree with the government. The grand old government of the United States looks good to them. It looks good to them because it seems to embody the power, the will and the virtue of the people.

All of which is not true. No government is much better than the men who control it. If the men who control it are bad, the government is bad. If a few control it, the rest do not control it. If a few use it to get more than belongs to them, the rest cannot use it to get what belongs to them. If a few control the government to rob the rest of the people, the government is not the friend, but the enemy, of the rest of the people.

The United States government is and long has been controlled by a few rich men. These men have used and are using the government to enrich themselves at the expense of the rest of the people. I do not mean so say that the government never performs an act that is of service to all of the people, but I do mean to say that when there is a conflict between the interests of the few who control the government and the interests of the rest of the people, the government is almost certain to take the side of the few as against the many. * * * * *

The little guiding group of rich who tell you that a high tariff helps you is the same little guiding group that tells you a parcels post would hurt you.

* * * * * * * * * * * * * * *

Is it a pleasure to you always to be treated as if you were a fool? Do you

never tire of paying 16 cents a pound on mail packages limited to four pounds, when there is hardly a little South American republic or fourth-class European state that will not carry at least eleven-pound packages for a cent a pound or less?

Think of it—we have entered into agreements with forty-three nations that have the parcels post to receive and deliver their parcels when directed to any person in this country; we are permitting the Philippine Government to establish a parcels post; we have agreed to receive in this country big packages at low rates for delivery abroad; but we ourselves have no such rights among ourselves. We must not only pay tribute to the express companies, but we must believe that it is good for us to do so.

If the American people only knew their power; if they only knew their power! If they would tear off their party labels and vote as they talk at home among their neighbors, they could push this country half a century ahead at the next election. Everybody knows something is wrong, but almost everybody votes the thoughts of those who make the wrong.

Shall we never vote for ourselves?

The italics in the last paragraph quoted are mine. So, too, are the sentiments of that paragraph—both the expressed and the implied. That is I believe in them—I believe in them hard and stubbornly. If my readers will think hard about them for a few minutes, I feel confident they will conclude that it is about time for them, for all of us, to act on Mr. Benson's advice—tear off our party labels and begin "to vote for ourselves."

In support of his charges of bad faith on the part of the government in giving the people a serviceable parcels post, Mr. Benson's remarks are most illuminating. He makes reference to a public or semi-public document of the government, written by one Mr. Turner and proceeds as follows:

" 'This will open a great business for American retail merchants,' wrote Mr. Turner 'Brazil can be flooded with catalogues. This information, in advance, will enable those desiring to go after business to prepare for it.'

Mind you, these are only occasional sentences from his enthusiastic article. He dwelt at length upon the eagerness of the Brazilians to buy such articles as we make. He even became specific and enumerated some of the articles that could be advantageously sent by parcels post. 'This opens up great possibilities for the retail shoe houses,' he said, for instance, 'as elegant shoes are worn.' Also, there was a great market for gloves, embroideries, ribbons, silks, stockings, and underclothing.

Here, then, we have the spectacle of the United States Government making statements to business men through a publication that the common people never read, that are directly opposed to the statements that are made to the people of the United States in congressional debates and other publications.

Now, ask yourself these questions:

Would the establishment of a parcels post by Brazil, which we have permitted to extend to this country, open any markets for Americans in Brazil if parcels-post rates did not permit American merchants to deliver their goods in Brazil at reduced cost?

Again If a parcels-post in Brazil will enable American merchants to lay down their goods in Brazil at reduced cost, why wouldn't a parcels post in the United States enable American merchants to lay down their goods in the United States at reduced cost?

Furthermore If reduced carrying charges would enable American merchants to capture Brazilian trade by reducing selling prices, why wouldn't reduced carrying charges tend toward lower selling prices in the United States?

Finally Is there any reason on earth why the United States Government, which is opposed to a parcels post in this country, through an official publication, welcomes a parcels post in Brazil—is there any reason except the one fact that there are no American express companies in Brazil?

Figure it out for yourself. I have figured it out for myself. As I figure it out, the United States Government is treating us as if we were a little weak in the head; as if we are just foolish enough so that it was safe to print, in a semi-public official publication, an acknowledgment that all of its excuses for not giving us a parcels post are really impudent lies. * * * * * * * *

'Should the mail trade have a government subsidy?' asked one gentleman who represented an association of jobbing firms. Let us see how much honesty there is in this question A subsidy implies the payment of money, either for nothing, or for something that is not immediately received in return. That is what these same rich gentlemen mean by subsidy when they ask you to subsidize American ships What element of subsidy would there be in a parcels post that enabled the government to derive a great profit from the mail-order business? We have all the machinery for handling 'packets'—costly postoffice buildings, cars, letter carriers, rural mail carriers. Why not use them? Why not let the rural mail carrier, whose average load is now 25 pounds, carry 500 pounds at a cent a pound? The postoffice department would earn $40,000,000 more a year if the rural wagons were loaded to the 500-pound limit.

'The fact is,' said the same jobber gentleman, 'that the United States Government cannot carry merchandise by parcels post without having to meet an enormous annual deficit for conducting the service.' The fact is that the fact isn't. What brazen effrontery to declare that the government would lose money carrying packages at a cent a pound, when the German government makes money by carrying packages at a little more than half a cent a pound! It is true that German rates are based upon distance, but it is also true that Germany, without any mail monopoly, competes with all comers and beats them out with low tariffs. The German government can compete with the German express companies because the German parcels post will accept packages up to a weight limit of 110 3-10 pounds, while our Government turns over to the express companies everything that weighs more than four pounds.

Furthermore, if the carrying of packages is such a hazardous business that

our Government should not dare to attempt it, how comes it that the express companies have become rich at it? The combined capital of the express companies is a little in excess of $48,000,000. For years, the big stockholders in express companies have been apoplectic with wealth. All of this money came from somewhere. All of this money came from those who consumed products sent by express. Only a few weeks ago the Interstate Commerce Commission brought out the fact that the Adams Express Company's business in New England yielded a profit, in 1909, of 45 per cent. upon the investment. Yet, there was nothing brought out in the proceedings to show that the Adams Express Company was gouging New England any harder than it was the rest of the country, or that the other express companies were not doing to the rest of the country approximately what the Adams was doing to New England. If you had the Government's equipment for handling express matter, would you feel particularly frightened at a proposition to give you a monopoly of the 'packet' business at an average rate almost twice that of the German Government's average rate?"

Knowing that my readers have not wearied of Mr. Benson, I shall presume to take further liberties with his articles on our subject. His handling of the point I have raised—railroad control of the express companies—is so informative and so able that I would do neither my readers nor my subject justice were I not to quote him and do it right here:

The railroads have become the express companies, not in legal fiction, but in transportational fact. The railroads largely own the express companies, entirely control the express companies, and, to all intents and purposes, are the express companies. We, the highly intelligent American people, simply don't know these facts. Never has it seemed to occur to us that, since Benjamin Harrison was President and John Wanamaker was in his cabinet, the express grafters may have devised improved ways of working the express graft. Therefore, in this parcels post matter, we don't know who is pushing the knife that we feel between our ribs. We accuse the express companies. A man who was being murdered might as well accuse the shadow of his murderer.

Perhaps the facts that follow will show you who are behind the shadows of the express companies. I quote from Senate Document No. 278, Sixtieth Congress:

Stock held by railways in express companies	$20,668,000
Railway securities owned by express companies	34,542,950
Holdings of express companies in the stock of other express companies	11,618,125

Since this article was written (Mr. Benson adds in a footnote) the Interstate Commerce Commission has issued a report in which railroad holdings in express stock are given at $14,124,000. The same report says the "total book value of property and equipment of 13 express companies is $22,313,575.53." The figures furnished by the express companies are evidently somewhat bewildering to the commission, which, having found the total value of the express com-

panies' assets to be $186,221,380.54, remarks: "It is evident that the capital stock of these companies bears no relation to the amount invested in the express business." On the face of the Interstate Commerce Commission's report, the railroads have disposed of more than $6,000,000 worth of express stock since the United States Senate investigated the matter during the life of the Sixtieth Congress. Yet there is no mention of such a transaction, and it seems exceedingly unlikely that the railroads have suddenly reversed their policies and become sellers instead of buyers of express stock. What seems more likely is that both the railroads and the express companies are continuing the policy to use figures to conceal facts. Gentlemen who can give $186,000,000 worth of assets a "book value" of $22,000,000 might have no difficulty in compelling figures to turn flip-flaps upon almost any occasion.

Please notice that railroad companies—not railroad men, railroad companies—own more than $20,000,000 of stock in express companies. The express companies are capitalized at only $48,000,000. Railroad companies therefore own almost half of the stock of the express companies. Railroad men like Mr. Gould, the Vanderbilts and Mr. Morgan also own stock in express companies. Railroad men presumably do not vote their private holdings of express stock in opposition to the manner in which they vote the express stock owned by the railways they control. But, even if railway men owned no express stock, the ownership by railways of a solid block of more than $20,000,000 of express stock would enable the railways to control the express companies. Mr. Morgan controls many corporations in which he holds only a minority interest. It is the way of big men to control more than they own.

* * * * * * * * * * * * * * *

Let us assume that you attach no significance to the ownership by the railways of almost half of the stock of the express companies. You don't believe the railroads would take the trouble to get control of $3,500,000 more stock and thus control the companies. You want to be shown.

All right. You don't mind using your common sense? Good.

Wouldn't railroad companies be incorporated fools if they didn't control the express companies? Couldn't the railroad companies, if they cared to, control the express companies, even though the railroad companies owned not a share of stock in any of the express companies? What is an express company?

An express company is a corporation that is engaged in transportation. Not a single express company owns a foot of railway track, a locomotive, a roundhouse or a water tank. Not a single express company employs an engineer, a fireman, a train dispatcher, or a section hand. Not a single express company could carry a bar of soap from New York to Albany without using all of the mentioned instruments of transportation, besides many others. In other words, an express company is an institution engaged in transportation without owning any of the means of transportation. It exists only by sufferance. So long as railroad companies are willing to haul the cars of an express company, the express company may do business—but no longer. An express company, if ill-treated, has no other place to go. It cannot hire a department store company to

haul its cars, nor a dry-goods firm, nor a manufacturer of hats. An express company must go to railroads for its transportation facilities, accept the best terms it can get, or go out of business.

Is it not so? How comes it, then, that you never hear of rows between express companies and railroad companies? How comes it that the same railroads that are always trying to squeeze you on freight rates apparently never try to squeeze the express companies on rates for hauling cars? The express companies are exceedingly fat birds. They are absolutely in the power of the railroad companies. If you owned the only vacant house in the world and a wanderer must rent from you or die in the street, you would not have him more completely in your power than the railroad companies have the express companies.

Yet the railroad companies are frying the express companies to a frazzle. The New York Central Railroad Company takes 40 per cent of the gross receipts of the express company that operates over its lines. But the frying is entirely friendly, and therefore the express companies do not cry out against it. A station agent does not complain because the railroad company for which he works takes from him the money for the tickets he has sold. He expects to give up the money. The officers of express companies expect to give up the money they take in. That is what they are there for. If they were otherwise disposed they would not be there. The $20,000,000 block of express stock held by railroads would keep them out. Can you imagine an express company giving 40 per cent of its gross receipts to a railway company if the directors of the express company were not controlled by the railway company?

Please get the full meaning of that New York Central arrangement. It is not a mere matter of 40 per cent. It is a matter of 40 per cent of the gross receipts and then perhaps 50 per cent of what is left. In other words, the railroad company first takes, as a carrier, four-tenths of the express company's receipts. As a stockholder in the express company, the railroad next takes almost half of the net profits.

* * * * * * * * * * * *

In both surveying the Canadian express situation and giving the order to reduce rates, Judge Mabee, chairman of the commission, said:

"Cut short of all the trimmings, the situation is that the shipper by express makes a contract with the railway company through the express company. The whole business could go just as it now does without the existence of any express company at all by simply substituting railway employees and letting the railways take the whole of the toll in the first instance."

As showing how freight tariffs are manipulated by the railroads to force the people to make light shipments by express and pay the looting rates the express companies charge, the following by Mr. Benson should be read:

In what essential particular does the conduct of the American express business differ from the conduct of the Canadian express business? The Canadian

express companies collect money from the public and hand it over to the railroads. What do our express companies do?

At this point, some gentlemen may be moved to ask. Why is an express company? At first glance, it does seem rather strange that the railroads should bother to do business through express companies if the railroads not only haul the express cars, but get the money the public pays. Yet there is nothing strange about it, as we shall see when we consider what the express business is.

Part of the express business is an effort to commit a crime for pay. The rest of the express business is an effort to perform a service at an exorbitant rate of compensation. In other words, part of the express business is the carrying of "packets" that should be sent only by mail, and the carrying of which by a private person or corporation is a crime, and the rest of the business is the carrying of light freight that should go by fast freight at a rate much below the express rate.

The express business, like every other business that has thriven, was based upon a public need. The public need was for a fast freight service for light freight. The railroad managers of forty years ago were not disposed to give the service, but they were willing to haul cars for an express company that wanted to carry fast freight at a high rate.

In this small, timid way the express business began. The crime of carrying mail in competition with the government had never been considered. When shippers offered mailable packages for transmission, they were accepted, but postage stamps were affixed to comply with the law. Even the volume of light freight was relatively small. The railroads themselves kept all of the light freight traffic they could. It was not until the railroads invested heavily in and obtained control of the express companies that deliberate efforts were made to compel the public to send light freight by express.

Let me explain precisely what I mean by this. The minimum freight rate from Chicago to North Platte, Neb., is $1.10. Whether a package weighs five pounds or 100 pounds, the charge is the same.

Suppose you want to send a ten-pound package. A dollar and ten cents seems an exorbitant charge, especially when the fact is considered that a ten-pound package, sent by freight, probably would not reach its destination in less than ten days. You look up express rates and find that you can send the package for 55 cents, with a certainty of delivery within forty-eight hours. Of course you send the package by express.

What has happened? Apparently, the express company has saved you 55 cents. Actually, the railroad company has clubbed you into the clutches of the express company. The railroad company never expected you to pay $1.10 for the transmission of a ten-pound package. In the good old days when the express companies were not owned by the railroad companies, and the railroad companies were not controlled by a little group of men in Wall Street, the freight rates for ten-pound and hundred-pound packages were not the same. The railroads wanted to carry small packages and made rates that brought them in. But the

express companies showed the possibility af collecting a higher rate for quick delivery. For this reason, a certain amount of business naturally came to the express companies. But after the railroads obtained control of the express companies, resort was had to artificial means to drive business over to the high-priced express companies. The freight rate for 100 pounds was established *as the minimum rate* for all lighter packages. No one is expected to pay this exorbitant rate, but it is there for everyone to look at.

Slow freight delivery is also apparently employed by the railroads to compel the public to ship by express. If one have a full hundred pounds to send a short distance, he will find the minimum freight rate lower than the express rate. But he will also have reason to believe that freight trains are drawn by snails. The Pennsylvania Railroad and the New York Central recently struggled ten days to bring a hundred-pound package forty miles to me. An express company would have performed the same service over-night. If the railroads had wanted the business, they would have required no more than two days.

Now, I have quoted extendedly from both Mr. Atwood and Mr. Benson. I have done so, because they wrote not only what I have quoted but much more that I would like to quote, and each of them has handled his subjects pointedly and forcefully conclusive. The call for "copy" by my publisher, will, I trust, argue my excuse with the publishers of Pearson's and The American magazines for having drawn so largely upon their columns without first asking and securing their permission to do so.

But it seems to me I can hear some barker for the interests barking: "Yellow writers! Yellow magazines!"

A few years since, the fling of that appellation "yellow" may have had some influence—probably did have some influence among the thoughtless. But millions of the then indifferent and thoughtless people have become serious and thoughtful recently. To such there is no approbrium in the word "yellow" as the barkers fling it at newspapers and magazines which attack and tell the truth about the interests for which the barkers bark. In fact, the word has become an appellation of honor rather than of discredit—of repute rather than of disrepute.

Here is another quotation—two of them. They are from an article in Pearson's Magazine, February, 1912, issue. Get the magazine and read the whole article. The article is captioned "The Railroad Game." It will richly compensate you:

I chanced to meet a man who is now president of one of the great Western railroad systems. He chided me good-naturedly about my antagonism to the

railroads. Finally he said: * * *. "You are too big a man to be fighting the railroads. Come get into the game with us. It isn't how much money we make, but how much we can conceal that counts in the railroad business."

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These figures do not take into consideration at all the operations of the numerous express companies which impose upon the people a burden approximating $125,000,000 a year while their actual investment for all purposes does not exceed $6,000,000 a year. These companies all earn prodigiously. All pay big dividends. All have big surplus funds, and frequently have big melon cuttings. In one of these a few years ago $24,000,000 were distributed among the stockholders of a single company. And after all, these companies amount in actual service to the people to no more than a parcels post which the government should have established long ago. With government control of the railroads this pernicious form of extortion would end. In European countries express companies do not exist. There the parcels post is supreme, satisfactory to the people and remunerative to the governments.

Of course, the writer of the above when he mentions $6,000,000 as the "actual investment for all purposes" means all the actual investment for all express service purposes. In that statement he is entirely correct.

But who is the writer? Well, the man who made the statements just quoted is Mr. O. C. Barber, the American "Match King." Certainly no one—not even the most courageous and venturesome hired liar of the raiding combinations—will call Mr. Barber "yellow."

"Why?" Well, Mr. Barber has a lot of real long-headed and hard-headed sense. He also has *money*. He has a *whole lot* of money. That makes Mr. Barber a "strong" man, as Mr. Benson puts it, in the calculating eyes and minds of public bubblers. Not only has Mr. Barber money, but, as Pearson's editor points out, "he is a man of affairs." He has been a man of affairs for fifty years. He is an officer or director in companies which have a capital of fifty million dollars. Their combined freight shipments are from 150,000 to 200,000 cars per year, and go to all parts of the world."

No, there is nothing of the yapped "yellow" about Mr. Barber. When the barkers bark of him, the trajectory of their language will carry it scarcely beyond the walls or to the banqueters. In most cases the barker's voice, when adversely criticising Mr. Barber, will take that humble, pendant expression so universally characteristic of the tail of a scared dog.

Mr. Barber is "strong." If you don't know it get the February,

1912, Pearson's and read his article on "The Railroad Game." You will know it then.

The clackers who clack for those who profit by the outrageous parcels post service in this country now, will tell you, of course, that Germany, France and some other countries can "afford" to give their citizens lower postal carriage rates, "because the governments own the railroads and have their mails carried free."

It is sufficient to say in answer to such clack that if we can have a cheap, efficient parcels post service *only by owning the railroads*, then let us own them.

Why not? A good, cheap parcels post service is worth it—worth it to you, to me, to every man, woman and child of the country, both to those living and to the generations yet unborn.

Yes, sirs, such a parcels post service is worth *more to our people than our railroads cost to build*, or would cost to rebuild or to buy. Why do I say that? I say it *because* it is a *fact*—a fact that needs but a line or two to evidence.

1. Such a parcels post service would save our people *more* than $300,000,000 every year.

2. At 2 per cent (a rate at which the government can borrow all the money it wants), three hundred million dollars would pay the interest on $15,000,000,000.

3. Fifteen billions of dollars is *more* than either the "book" or the "market" value of *all* the railroads in this country—"water" included. It is more than *twice* their tangible, or construction, value.

So, if we can have cheap, reliable parcels post service only when the "government own the railroads," then let's get busy.

One of the much *worn* objections to a cheap parcels post service is that it cannot be established and *profitably* operated, as it has been in those countries which *own* the mail-carrying roads and pay much *lower salaries* to the operators of the service.

In reply, I will say that in neither Great Britain, nor in *any country of continental Europe* are *all* the rail-mail roads *owned* by the government. But those countries do *control* all their railroads—and that is exactly what this government must soon do *or the railroads will control it.*

To tell *how* these governments got control *and keep control* of their railroads is another story. In fact, it is a story for each of the

countries. Suffice it to say here that they *do* control them. One element of that control *compels* the railroads to carry a *large portion of the mails free of charge.*

In Great Britain, all regular trains carry at least one mail car free, or at a mere nominal charge, and the trunk line roads are required to turn out extra mail trains of ten cars each on demand of the postoffice authorities. For such a train the road can charge *no more* for the run than the *average cost of an average passenger train.*

France guarantees and, I believe, *pays* the interest on a 70,000,000 franc railway bond issues. That is equivalent to $14,000,000. At 3 per cent the interest amounts to $420,000 a year. For that sum the railroads carry all the *regular* mails free—carry them *under government direction and stipulation.* Last year we paid our railroads $49,330,638.24 for carrying our mails. The French roads also carry the officials, the soldiery, and all military supplies *free.*

That, in brief, is about what the French government *compels* the railroads of France to do.

And those roads are all paying fair returns on the money invested in them!

It was only a few brief years since the railroads of the German Empire were *all* in the hands of private owners—of "frenzied financiers" who robbed both the government and the people in outrageous mail, freight and passenger rates. Germans will not stand for such conditions long. The people shouted aloud their grievances and demanded redress—demanded a remedy.

The German government heard and heeded the demands of its people. It usually does. When it started to give its people relief it was met on every hand with just the same sort of talk as has been heard in this country for a quarter of a century.

"You can't cut down the rates, for the roads are now earning barely enough to pay fair interest on the investment."

"You can't trespass upon the 'sacred rights' of property."

"You can't think of taking such action! Why, it would create a financial upheaval—a panic—causing widespread disaster and bankrupting the railway companies."

"You cannot possibly be so inconsiderate as to endanger the savings of the hundreds of thousands of widows and orphans who have invested in our stocks and bonds"—and a lot more of like junk.

But the Chancellor of the Exchequer was a clear-headed, *clean*-minded old German, with the *rugged honesty* for which his race is justly noted. Well, this Chancellor listened with courteous dignity to all their "you can't do this," "You can't do that," etc., until it was made quite clear to his mind that frenzied financiers and railroad grafters in his country were *dictating as to the powers and policies of his government.*

What happened then? Why, as Creelman put in writing of the incident, when this grand old Von heard enough of those "you can'ts" to make their object and purpose clear to him, he jumped to his feet and turned loose a few yards of forceful German language which, translated, summarized and anglicized, would sound something like this:

"I can't! Well, you just watch me!"

"Did he give 'em anything worth looking at?" Oh, but didn't he? The honest old Von sat quietly into their *own* game, played with their own *marked cards* and "beat 'em to a frazzle," as our strenuous ex-President would put it. Did he buy up the roads, paying for all the *aqua pura* they had tanked up?

Well, hardly! It was *control* Von wanted, and *ownership* was neither immediately nor particularly sought, *beyond the point necessary to that control.*

As I remember the story, he quietly put some agents on the floor of the Berlin stock bourse and before the gentlemen who had handed him that miscellaneous assortment of "can'ts" knew what had happened, *Von had control of one or two of the German trunk lines.* Then the way he made those friends of the "poor widows and orphans" *see* things was profoundly and, for a few weeks, almost *exclusively* awful. He did not buy the road for his government. He merely bought *control.*

His government having control, he next slashed all the silk and frills *out of rail rates on the road or roads controlled.*

"What was the result?" Why, the "can't" venders were on their knees to him in six months. In a year the German government *controlled* its railroads and there was not a railway patriot in the Empire who was not busy telling the Chancellor how many *more things* he could do, if he wanted to and, in fact, *urging* him to do some of them.

And the "widows and orphans," or other *legitimate* investors in the securities of the German roads, *lost not one cent of earned income* in the passing of *control* from private to government hands. As a result, the German government is making money from its *owned* railroads. The net revenues of the German Government from its railroads is now annually about $250,000,000. From 1887 to 1906, the roads paid into the government's exchequer about $1,400,000,000. It has saved money from its *controlled* roads and is furnishing its people *a cheap and most serviceable* parcels post. So much for the cheap foreign mail-carriage and *the way the "cheap foreigners" got it.*

Now, as to salaries paid. Mail carriers and clerks in this country are paid something under $1,000 a year. Railway mail clerks are paid an average of $1,165—*and the latter work only one-half the time for full pay.* I have no information at hand as to the pay of mail carriers and clerks in foreign countries, but I have the figures for the pay of railway mail clerks in Great Britain, Germany and France. So, we will make comparison of the pay in that class of service. They stand as follows:

	Per Year.
In the United States	$1,165
In Great Britain	780
In Germany	515
In France	610

There, now, you see the shocking disparity in the very *worst* and *all* of its enormity—the way it is usually presented by "farmers" in Congress who are *cultivating* express company crops. But let us look into those figures a little further.

Information carefully collected and collated, both by official and private agents, among the former being the Department of Commerce and Labor of our own government, has *conclusively* shown that *living* in England and in the countries of Continental Europe is *from thirty to forty per cent cheaper than in this country.*

Let us take 30 per cent—the lowest reported estimate of the difference in the cost of living—subsistence, clothing, housing, schooling, amusements, etc.—and see how the figures look in comparison as to pay of railway mail clerks:

	Per Year.
In the United States	$1,165.00
In Great Britain	1,114.30
In Germany	734.30
In France	871.43

The *enormity* of the difference, you will observe, is not so shockingly enormous as it appears in *heeler's* figures first shown. But even the last set of figures does not afford a just comparison. Here is why:

The English railway clerk is allowed $160 a year as "travel pay." The German rail man is provided *free* a house that is worth an annual rental of $135 *in Germany*. Here, it would rent for from $240 to $360. In addition to his "salary" the French railway mail clerk is allowed $180 "travel pay" and is also provided *free* with a house of a rental value of $80 per year—a house that would rent here at from $160 to $300 per year. Making these little additions to the actual service *pay* of those "cheap foreigners," let's see how they compare with our "high salaried" railway mail clerks. We will figure the "travel pay" allowances at its purchasing power *in buying a living* and for the rent allowances we will add the lowest equivalent given above of corresponding housing in this country.

On that basis the stack-up is as follows:

	Per Year.
In the United States	$1,165.00
In Great Britain	1,344.30
In Germany	974.30
In France	1,288.57

Those "cheap foreigners," *who are efficiently operating a cheap parcels post,* you see, come out of the wash in pretty fair shape after all, when compared with our "high salaried" postal service men.

But even the last table does not present the whole truth as to the *lie* so often yapped about by the *tools* of the private interests in this country that are opposing the betterment and *cheapening* of our parcels post service.

The railway mail clerks of England, Germany and France not only get full pay while laid up from temporary injury, the same as do our rail postal men, but their governments pay those "cheap foreigners" *a pension* when they get old or are permanently injured—*pay it for the remaining years those "cheap" mail handlers live!*

Among the most *brazen*, yet most frequently used, objections to a cheap and serviceable parcels post is that it would "benefit but very few people in the country's vast population," or other vocalized breath of similar purport and *purpose*.

Objectors who use this argument belong to one of two classes: They are either fools or think *you* are, or they are men whose sense of the right and wrong of things, commonly designated as conscience, got lost in their transit from diapers to dress suits.

The "argument" is not worth a line of consideration were it not so frequently used by objectors of the two classes just indicated. A man—*a full-sized man*—who can give it more than a smile ought to hire a janitor and a couple of scrub women to clean up his garret and dust off its furnishings.

But, seriously speaking, let's think a moment about "the few" people who would be benefited by a cheap parcels post service.

There are 95,000,000 or more folks in this country.

There are about 36,000,000 of that number engaged in farming, farm labor, stock-raising and other agricultural occupations, counting the dependent families.

Counting the dependent families. Those "few" would be benefited, would they not?

Counting wives and babies, there are somewhere around 22,000,000 of our folks engaged in the mechanical trades and manufacturing.

Those "few" would be benefited, would they not?

Among our folks are, counting families as before, not less than 16,000,000 domestic servants, saloon, hotel and restaurant people, policemen, firemen, soldiers, sailors and laborers "not elsewhere specified."

Those "few" would be benefited, would they not?

Next, we have around 12,000,000 of bookkeepers, clerks, agents, operators, teamsters, etc., "engaged in trade and transportation," again counting "the little ones at home" but *not* counting the "retail merchants" nor the *railway manipulators*.

Those "few" would be benefited, would they not?

Next, we may enumerate among our people, doctors, lawyers, teachers and other *professional folks*, counting their folks at home the same as before, some 7,000,000.

Those "few" would be benefited, would they not.

Next we have—

But we have already found about *ninety-one millions* of the "few people" among our folks who *would be benefited* by a cheap, serviceable

parcels post. That leaves somewheres around four millions to be accounted for.

Again, including dependent families not less than 3,000,000 of that number can be classed as retail merchants. Half of that 3,000,000 are merchants, dealers, manufacturers, etc., in the "larger cities," whom even the opponents of the parcels post have agreed would be *benefited* by its service. At any rate it has been *demonstrated* by organizations of merchants in the large cities that parcel deliveries within a radius of thirty or forty miles of their stores, which had cost from *eight to fifty cents*, can be made at an average cost *not exceeding four cents*.

That leaves the country merchants, the jobbers, the railroad and express company raiders and their hired opinion molders to account for. Of these, the country merchant is by far the most numerous, likewise the most deserving of consideration.

On a previous page I made it fairly clear, I think, that a good, cheap parcels post service would be of great service to him. He has the respect and the confidence of his customers. He knows the worth of goods. He can sell the goods—any line or make—at the advertised or catalogued price and *still make a good profit*, as I have previously shown.

The parcels carriage charge, either by mail or express, is now so high he is compelled to order in quantities to keep "laid-down-prices" low enough to meet competition. A cheap parcels post service would put him in position to meet the competition of the larger merchants of *the cities*. *A line of samples*, showing the latest patterns, makes and grades, could take the place of fully *half the shelf stock he now carries*, aside from the staples. He could take the order of his customer and have the goods delivered by parcels post either to his store or, if in a rural delivery district, to the home of his customer for a few cents—*have it delivered as cheaply as the big city merchant, manufacturer or mail order house can have it delivered.*

Do not overlook that last point, Mr. Country Merchant, when *hired* yappers are coaching you to oppose a good parcels post service. The government will not pay "rebates" nor allow "differentials" in its parcels carriage. You can put your packages through the mails at as *low a charge* as that paid by a merchant *with millions of capital invested in stocks of goods*.

Of all the objections now urged against a *domestic parcels* post in this country, the dangers lurking in the *mail order house* is the most industriously worked. "It would be a fine thing for the eastern merchant to have a parcels post system whereby he could supply the people throughout the country," said a Mr. Louis M. Boswell, a few years since when speaking to the National Association of Merchants and Travelers, convened in Chicago.

And who, pray you, is or was Mr. Boswell? Why, Mr. Boswell was one of the main cogs at that time, in the *Western freight traffic wheels*. Mr. Boswell *talked for his personal interests*, and for those interests only. To make his anti-parcels post talk *catch* his auditors—the Western merchants—he even told the *truth* about the express companies.

> Freight should be transported as such by *railroads in freight cars*, and not by the government in mail cars. * * * I have long regarded the express companies as *unnecessary middlemen*. * * * *Millions of dollars would be saved annually* to the public if the express companies were done away with, and I do not believe the *revenues of the railroads would be decreased*.
>
> "And what are you on earth for," wrote a *self-serving* trade journal editor in 1900, "if not to look after *your own interests?* A parcels post * * * will *knock your business silly*. You are the one entitled to the trade in your town and neighborhood."

I present the above quotations as *fair samples* of the "argument"—its method and its *source*—against a domestic parcels post. Let it be noticed that these two quoted statements—as is the case with most of the other promotion talk against a parcels post—is talked or addressed to *country, village, town and one-night-stand city merchants*.

The *mail order houses* "will knock your business silly!"

Now, of course, it must be admitted that, in this day of superheated service of *self*, a man's *personal* interests must receive his *first* consideration. But I cannot for the life of me see why these "Western merchants and travelers" take the talk handed them by "traffic" cappers, express company agents and *space muddlers*—take it in such large *slugs*—and apparently overlook the fact that these talking and writing bubblers *are serving special interests*. Can you understand it, Mr. "Storekeeper" of Rubenville? Or you, Mr. "Merchant" of Swelltown? Or you Mr. "Shipper" of Cornshock or Feedersville?

Mr. Benson in his March article in Pearson's, says something anent the great hue and cry which the raiders, aided in this particular

case by merchandise jobbers and some of the larger department store retailers, are trying to raise among country merchants and rural residents about what a great "menace and danger" the mail order houses would be if a cheap, serviceable parcels post was put into operation. I hope my readers will carefully peruse what he has said. Here it is in part only:

The railroads, in fighting the parcels post through the country merchants, are playing the old game. The old game is to work upon the fears of a minority, create what appears to be a difference of opinion among the people, and thus give Congress an opportunity to say that as sentiment seems to be divided, it would perhaps be better to do nothing until the public can thrash the matter out and discover what it wants. In the present instance we see great firms like Marshall Field & Company combined in an organization to spread among country merchants fear of a parcels post. Such an association was recently formed in Chicago with a membership of 300. * * * * * * * * * *

There is only one country merchant, perhaps, to every 500 country customers, and the country customers are all in favor of a parcels post. All other things being equal, Congress always moves in the direction of the greatest number of votes. But in this matter, as in many others, things are not equal. Great financial interests and a few country merchants are regarded by Congress as a majority. * * * * * * * * * * * *

"At any rate, I cannot forget that while Marshall Field & Company cry out against a parcels post, because it would build up the mail order houses, that they themselves do a large mail order business.

"This action on their part may seem like patriotism of the highest sort—but it isn't. The mail order houses don't care a rap about a parcels post. They are not against it, but they are not for it. My authority for this statement is Mr. Julius Rosenwald, President of Sears, Roebuck & Company of Chicago, the largest mail order house in the world. I approached him upon the subject, believing that he would grow enthusiastic, but he didn't. He said he had never signed a petition for a parcels post, or otherwise interested himself in the matter, and never should do so. He didn't tell me why, but I found out why and will tell you.

"The minimum freight rates of the railroads literally drive country customers into the mail order houses. A farmer's wife, we will say, has a present need for two or three articles that she can buy from a mail order house for less than her local merchant can afford to sell them to her. But the articles weigh only fifteen pounds, the express charge would annihilate her saving, and the minimum freight rate,

for which she might as well have 100 pounds shipped to her, is just as high as the express rate. But she still wants the two or three articles and she wants to buy them from the mail order house. So what does this thrifty woman do? First, she increases her order by putting down a few articles that she will need perhaps three months later. Then she canvasses her neighbors for orders until she gets enough to make 100 pounds, and divides the freight charges pro rata. The result is that the mail order house gets an order for 100 pounds of goods instead of an order for the fifteen pounds that would have been bought if a parcels post like the English or the German had enabled the farmer's wife to order only what she first meant to buy. Incidentally, the country merchant in her vicinity is not helped thereby.

"If you have any doubt about the truth of this statement, send a petition for a parcels post to Mr. Julius Rosenwald, President of Sears, Roebuck & Company, Chicago, and see how quickly he will not sign it. You will not be able to get him to lift a finger to help you. He is sending out fifty-eight loaded freight cars each day, comparatively little express matter, doing a business of $63,000,000 a year, and is quite satisfied with such transportation facilities as exist.

"But don't blame the mail order men because they don't help you. Help yourself. First, help yourself by getting it clearly in your mind who in this matter is the chief offender. Your government is the chief offender. So far as postal matters are concerned, your government is protecting the interests that are robbing you. Your government goes even to the extent of submitting to robbery at the hands of the interests that rob you. I refer to the continuing scandal of exorbitant mail contracts." * * * * * * *

Now, I desire to talk somewhat directly to the rural and village storekeeper and of storekeeping.

The manufacturer, wholesaler or jobber always sells the retail merchant— *the quantity buyer—cheaper* than they will sell in broken lots to the consumer. They will always sell to *you* cheaper than they will sell to your customer, will they not?

You have an "edge" of 20 to 40 per cent., have you not? But to hold that "edge" now, you must order in quantities which *anticipate* the demands of your custom, must you not? You must "stock up," must you not? If you miss your guess, and *underbuy* the demands of your trade, you must, later, "sort up," must you not? If you sort-up,

you do it at "broken-lot" rates and pay *excessive carriage charges* for delivery to your place of business, do you not? If, on the other hand, you *overbuy* the demands of your trade, your shelves are soon full of "shelf-worns," are they not? These shelf-worns you must unload, must you not? To do that, you offer "bargains," do you not? Unloading "bargains" *loses your "edge"*—your *profits*—does it not?

But still another point in your present *and compelled* method of business. Your customer is *never* so well pleased with your *sacrifice* "bargains" as he or she is with the *fresh, up-to-date article*, which you sell at a *profit*. Is that not so?

Now, let us see how a *cheap* parcels post would "knock your business silly." Let's put the rate, say at 5 cents for parcels up to one pound, 8 cents to two pounds, 10 cents to three pounds, 12 cents to four pounds, and so shading up in weight to twenty-five pounds, *at one cent a pound*. I present this scale of weights and prices merely to illustrate. I have given them no particular thought or consideration—that is, I do not present them as a *recommended* basis for a parcels carriage system. I believe, however, that the government can carry and *deliver* parcels at about the rates named *and not create any larger "deficits"* than the postal service now shows.

That aside, let us see how you, Mr. *Retail* Country Merchant, would come out in the deal:

First: You would not have to "stock up" beyond the *known* demands of your customers. Your "shelf-capital," then, would need not, necessarily, be more than *half* what is now is.

Second: You could serve your customers fresh goods of latest pattern and at *less* cost, and still serve them *at a profit*, instead of working off shelf-worn "bargains" on them at a *loss*.

Third: Mrs. Lucy Smith sees a Sereno Payne *imported* glove, advertised by an "eastern merchant" or some distant "mail order house." It is the "very latest" and guaranteed to be the very best "kid" ever built—from a *premature* calf. Or Uncle Joe wants a mop rag-holder for Martha. It, too, is advertised by some distant manufacturer, merchant or mail-order bogey man. Say the advertised price of each is $1.00. Each, of course, weighs *less than one pound*.

Now, if Mrs. Smith or Uncle Joe orders *direct*, the article costs them, postage added at our hypothetical rate, $1.05. Of course,

they will have inquired of *you* before they ordered—to see if you have it in stock—will they not? Well, you haven't it in stock—and you can't work off on them "something just as good." Mrs. Smith just *must* have those particular gloves, and no other mop-holder will satisfy Uncle Joe. Now what do you do?

Do you tear off a yard or two of tirade about mail order houses that are "knocking your business silly" and about manufacturers who are "flooding the country with fake goods?" If you do, you ought to quit business and go put your head in pickle or take the "cure." But you won't tirade. No sir, nary tirade from you! You will be onto your job in a minute. And why?

Well, first, you know that you can get those gloves or that mop-holder for 20 *to* 40 *per cent less* than the rate advertised for Mrs. Smith and Uncle Joe. You can have either sent by mail and deliver it to Mrs. Smith or Uncle Joe at the *advertised* rate, pay the parcels charge yourself and still make 10 to 20 cents on the deal. If the gloves or the mop-holder strikes you as a probable "seller," you can order a half dozen or a dozen pairs of the gloves, or three or four mop-holders, and *still keep your parcel inside the one or two pound rate.*

One other point in closing:

Well, it may be of no use—of *no* service value to the reader who asks the question. He may be a man who has reached his limit of endurance—who has given up all hope of improving or correcting *legalized* injustices which *rob him to enrich others.* If so, he has my sympathy. Or he may be a man who has "set into the game" and lost, or one who is *hired* as a capper, steerer or "look out" for its operators. I cannot say. If the former, he still has my sympathy; if the latter, my contempt.

I am fully convinced that the outrages permitted by the municipal, state and national governments of this country in rendering public service to its people have *discouraged thousands* of its *best citizens*—best in *manhood* I mean, of course. The beneficiaries of the outrages I speak of are, usually, rated as "best" at the bank, in the society columns and *in court proceedings.* Even our divorce court records give the latter *conspicuous precedence.*

> "Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay."

No truer thought as to the politics and policy of *government* was

ever written than that. When wealth accumulates by *legalizing* the spoilation and exploitation of the great body of a nation's people for the benefit of a few, *the decay of its manhood is all the more rapid.* When any considerable body of a nation's citizens begins to ask, "What is the use?"—that nation has reached the danger line—has started down the decline.

Now, I undertake to say that no observing man of average intelligence can be found in this country today who will not give it as his *honest opinion*—unless, of course, he is *hired* to say otherwise—that not only thousands but *millions* of our people—of its industrial, productive manhood and womanhood—are asking, "What is the use" of arguing and struggling against the oppressive conditions which the *laws and our administrative and judicial officers force upon us?* What is the use of "knocking" the men who get the "graft," the rake-off or the loot?

"Their big bunch of money," says one writer, "makes so much *noise*, no one hears our knocks." "Everybody is out for the stuff," says another. "It is *their* representatives not ours who make the laws and it is *their* judges not ours who adjudicate them." "Industry, thrift, brains and even *honesty* have ceased to count anywhere, save on *their* payrolls. *Money alone counts.*"

"Stop knocking, my son," has become *common* in paternal counsel. "Sit into the game and *get money.* Of course, 'get it honestly if you *can*, but *get it.*' "

"And if I fail," asks the boy.

"Well, my son, unless you are careful to salt away in some place secure from assessors and raiders as well as from thieves, the chips *I have raked in*, your best course is to *get on the payroll of the gamesters.*"

A recent reading says, in effect, that there are dropped into the life of every man moments in which "he has the chance to act the hypocrite or to act the scoundrel." But when *aided and abetted* by the law, such "chances" are not merely for the *moment.* They extend through days and years, and those so aided and abetted usually take *both* chances—*act both the hypocrite and the scoundrel, and to the time limit of their protected opportunity.*

But that is neither all nor the *worst* of it.

This *legalized* hypocrisy and scoundrelism is now *widely* known

to the honest, productive citizenship of the country, *and it is daily becoming better known.* What is the result? Simply this:

The law and government administrators are, in permitting such injustices, not only *creating class distinction* by the enrichment of a few of our citizens and holding the millions to the subsistence level—*hundreds of thousands of them to the "bread-line"*—not only that, but legalized and *protected* injustice is *dignifying hypocrisy and scoundrelism.* It is sapping the *moral foundations* of a worthy manhood as well as *robbing* it of its material wealth and earnings.

But what has this sermonizing to do with the parcels post question, some one asks? It has this to do with it!

Of the numerous array of law enriched hypocrites and scoundrels in this country, nowhere can be found more of them to the lineal or square rod than can be counted in the ranks of the favored beneficiaries of existing postal laws and regulations—in the ranks of the opponents to cheapening and bettering the parcels carriage service.